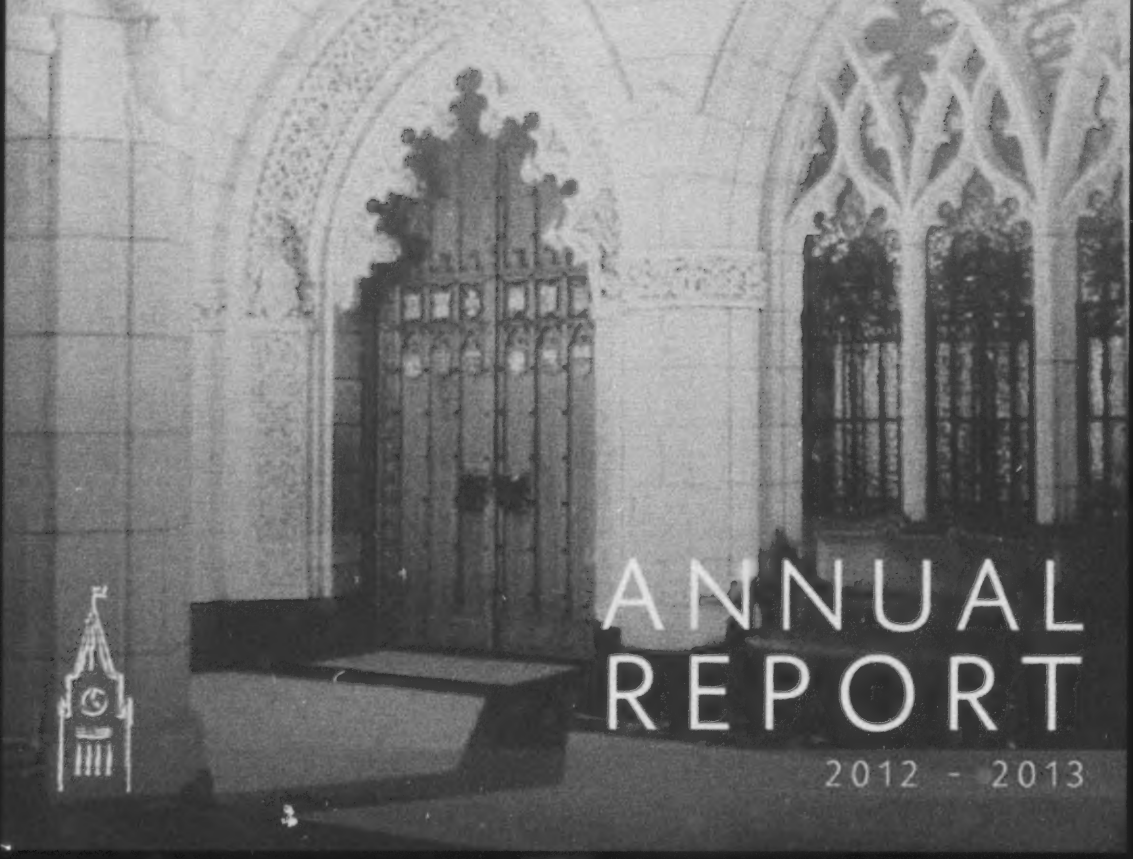
OFFICE OF THE SENATE ETHICS OFFICER



ANNUAL REPORT

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Annual Report of the Senate Ethics Officer 2012-2013

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June 13, 2013

The Honourable Noël Kinsella
Speaker of the Senate
280-F, Centre Block
Parliament Buildings
Ottawa, Ontario
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Dear Mr. Speaker:

It is my honour and pleasure to submit to you the eighth Annual Report of the Senate Ethics Officer, pursuant to section 20.7 of the *Parliament of Canada Act*, R.S.C. 1985, c. P-1, as am. by S.C. 2004, c.7; S.C. 2006, c.9. It covers the period from April 1, 2012 to March 31, 2013.

Through you, I would like to express my sincere appreciation and gratitude to all senators for the cooperation and support they have provided to me and to my office.

Yours sincerely,

Lyse Ricard
Senate Ethics Officer

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MESSAGE FROM THE SENATE ETHICS OFFICER

It is an honour and privilege for me to serve as Senate Ethics Officer.

I was appointed Interim Senate Ethics Officer effective April 5, 2012 for a six-month term and I was then appointed Senate Ethics Officer on October 5, 2012 for a seven-year term.

I am responsible for the interpretation and application of the *Conflict of Interest Code for Senators*, a set of rules with which senators must comply in order to ensure that their private affairs do not come in conflict with their public duties and to ensure that the public interest always prevails over their private interests.

This is my first Annual Report but the eighth report for the office. It is prepared pursuant to section 20.7 of the *Parliament of Canada Act* and it covers the period from April 1, 2012 to March 31, 2013.

It has been a busy and productive year, particularly due to a series of amendments to the *Code* that were adopted by the Senate in May of 2012, and which came into force on October 1st, 2012. As such, my first priority was to work with my team to implement these new changes, while building on the excellent work that was already carried out by the office in the last seven years.

This is the second time the *Code* has been amended since it was first adopted in 2005, illustrating the fact that codes of conduct are evolving documents that should be periodically reviewed to ensure that they continue to meet public expectations.

The former Chair of the Standing Committee on Conflict of Interest for Senators, the Honourable Terry Stratton, described the purpose of this series of six amendments in his speech in the Senate on May 1st, 2012. First, the amendments would adapt the provisions of the *Code* to contemporary realities and practices. Second, they would avoid any misunderstanding about the outside activities of senators. Third, they would increase the transparency of the conflict of interest regime applicable to senators. And, fourth, they would enhance public confidence and trust in the conflict of interest regime applicable to senators.

> *As an evolving document, the code may at any time be amended to adapt its provisions to contemporary realities and to enhance public confidence and trust in the conflict of interest regime applicable to senators.*
>
> *The Honourable Terry Stratton, former Senator,*
> *Debates of the Senate, May 1, 2012*

I share his views and commend the Committee for the work its members have done in considering amendments to the *Code* and recommending these to the Senate. I had the pleasure of working with the Committee on implementing these changes and appeared twice before it this year on these matters. I believe that the members have again raised the standards in the area of conflict of interest in the Senate.

These changes, some of which involved additional disclosure requirements, led to a higher volume of questions during the annual review process, which began in October 2012.

The office was also busy with logistical and operational issues associated with the amendments, but most particularly with the amendment to require the public disclosure summaries of senators to be electronically available on the office's website. The amendments to the *Code* will be discussed in more detail later on in this report.

I have also dedicated a full chapter of this report to providing a description of my role and responsibilities and my jurisdiction since, at times, there seems to be some confusion concerning my mandate.

In this first year, I have had a great deal of cooperation and assistance from many, and I would like to take a moment to recognize them.

First, I would like to express my sincere appreciation to senators and their staff and, in particular, to the members of the Standing Committee on Conflict of Interest for Senators, for their cooperation throughout the year.

Second, I would like to take the opportunity to thank my small but hardworking team of four for their commitment and dedication to the office and, in particular, for helping me in familiarizing myself with the office practices and systems.

Finally, I would like to express my gratitude to the Senate Administration for the quality services they have provided to my office over the course of the year. As in past years, they provided the office with certain services on a cost recovery basis in the areas of security, finance, information technology and human resources, pursuant to a written agreement. I look forward to continue working with the Administration in the future.

My goal for the next few years is to continue to work with senators to implement the recent changes to the *Code* and to build on the excellent work that was already carried out by the Senate and the Senate Ethics Office.

> *"I think we must ask ourselves why we have ethical standards for parliamentarians. In my humble opinion, such standards are not simply a set of dos and don'ts. Ethical standards essentially embody the honour and commitment to public service shared by the members of this chamber, the ethical standard of each and every member of this place."*
>
> *The Honourable Serge Joyal, P.C., Senator,*
> *Debates of the Senate, November 26, 2002*

As a final thought, it is important to note that potential conflicts of interest will undoubtedly arise from time to time. Legislators come from all walks of life with a variety of different backgrounds and expertise. And it is often this very background and expertise that they bring to bear on the study of legislation and public policy that makes them valuable legislators. A conflict of interest regime should not discourage knowledgeable people with successful backgrounds from participating in public life. What it should do is to provide a system in which measures may be taken to address the matter. It should help to avoid conflicts where possible, but where they arise, it should provide a means by which to resolve them, so that legislators and public officials are held to the higher standard that comes with holding a public office and working for the people of Canada.

I. MANDATE OF THE SENATE ETHICS OFFICER

The Office of the Senate Ethics Officer was established under the *Parliament of Canada Act*. The Senate Ethics Officer is responsible for the interpretation, administration and application of the *Conflict of Interest Code for Senators*. The *Code* was adopted by the Senate in May 2005, and, after a comprehensive review of its provisions, which is required under the *Code*, it was revised in May 2008. It was again amended most recently in May of 2012. The *Code* is a document that is distinct from, but of equal standing to, the *Rules of the Senate*.

Appendix D to this report provides an overview of the various provisions of the *Code*, as well as a description of the conflict of interest regime more generally.

A. Three Major Functions

The Senate Ethics Officer's mandate may be broken down into three major functions: (i) providing opinions and advice to senators; (ii) administering the disclosure process; and (iii) conducting inquiries.

(i) Opinions and Advice

The Senate Ethics Officer's primary function is to provide advice and guidance to senators with respect to the *Code* and, in particular, to assist them in understanding their obligations thereunder and to identify conflicts of interest – real, potential and apparent.

Under subsection 42(4) of the *Code*, written opinions and advice are required to be kept confidential but they may be made public by the senators to whom they relate, or by me with the particular senator's written consent. Some opinions related to contracts with the federal government must be made public under section 31 of the *Code*.

Along with many other conflict of interest commissioners in Canada, I recognize that the advisory function is essential to the success of a conflict of interest regime. It provides a means by which legislators are better able to understand how the conflict of interest rules apply to their individual circumstances given that, while the application of the rules may be clear in some situations, in other cases, it may not be so clear. This is where the advisory function is most useful.

"The greatest difficulties arise in that broad grey area that is clearly forbidden and behavior that is clearly honest or ethical. Within this grey area, there is a wide continuum ranging from abuses or conflicts that are real, through those that are potential, to those that are apparent. One of the reasons why codes of conduct and appropriate ethical rules are important is precisely to address the difficulties created by this grey area: to reassure the public, and to protect public office holders themselves."

John C. Tait, Q.C., Chair of the Task Force on Public Service Values and Ethics, 1996

Senators are encouraged to seek advice before acting. By availing themselves of the advisory services of the office, they are effectively avoiding conflicts of interest. This approach best serves the public interest because it avoids costly and time-consuming inquiries. It ensures that the system is preventative, not punitive. In other words, the focus is not on addressing conflicts once they have already arisen, but rather on preventing them from arising. As noted by my predecessor, prevention is preferable to cure.

(ii) The Annual Disclosure Process

The Office of the Senate Ethics Officer is also responsible for administering the annual disclosure process, which begins in the fall of each year. This is a lengthy process that is also regarded as an essential feature of any conflict of interest regime. It ensures a measure of transparency and accountability and these, in turn, inspire public confidence in the system.

Under subsections 27(1) and (2) of the *Conflict of Interest Code for Senators*, senators are required to file, on an annual basis, a confidential disclosure statement on a date that is established by me with the approval of the Standing Committee on Conflict of Interest for Senators. Newly appointed senators must file their statements within 120 days after being summoned to the Senate [subsection 27(3)].

These statements include information concerning senators' activities outside their parliamentary duties and functions, their assets and liabilities over $10,000, their sources of income over $2,000, federal government contracts, as well as the financial interests of their spouses or common-law partners. Subsection 28(1) sets out the list of interests that senators are required to report confidentially to the Senate Ethics Officer.

Once these statements have been filed, I provide each senator with a letter, which draws attention to any relevant provisions of the *Code* and identifies potential conflicts of interest, while also providing advice on how these may be prevented. Of course, where senators have specific questions about a particular situation, they are expected to raise the matter with me and relay the information necessary to be able to provide helpful advice to them.

The Office of the Senate Ethics Officer then prepares a public disclosure summary for each senator based on the information that was provided in each senator's confidential disclosure statement. Section 31 of the *Code* sets out the list of interests that must be publicly disclosed. Again, this list includes senators' activities outside their parliamentary duties and functions, as well as their income over $2,000, and their assets and liabilities valued at over $10,000.

After the public disclosure summaries are prepared, senators are required to review, sign and return them to the Office of the Senate Ethics Officer. These summaries are then placed in both a physical public registry located at the office premises, as well as in an online public registry, which is available on my office's website. This registry contains all the information concerning senators that is required to be made public under the *Code*.

Even after all senators' confidential disclosure statements have been filed and all senators' public disclosure summaries are available to the public, the annual disclosure process is an ongoing process that continues throughout the year. Senators are required to ensure that their confidential disclosure statements are kept up-to-date throughout the year by filing material change forms with my office within 60 days of any changes occurring in their circumstances [subsection 28(6)]. These material change forms are included within each senator's public disclosure file if the information contained therein is required to be made public under section 31 of the *Code*.

In addition, when a senator receives a gift or benefit as a normal expression of courtesy or protocol, or that is within the customary standards of hospitality that normally accompany the senator's position, the fact of its receipt must form part of a senator's public disclosure file, in accordance with paragraph 31(1)(*j*), if the value of the gift or benefit (or the cumulative value of all such gifts or benefits received from one source in a one year period) is over $500.

It should be noted that courtesy gifts are exceptions to the general prohibition in subsection 17(1) against senators receiving gifts and benefits that could reasonably be considered to relate to a senator's position [subsection 17(2)].

As in the case of gifts and other benefits, sponsored travel that is acceptable under subsection 18(1) must form part of a senator's public disclosure file, again under paragraph 31(1)(*j*), if the travel costs exceed $500.

Finally, throughout the year, senators must publicly declare any private interests that they have that may be affected by any matter before the Senate, or a committee of the Senate of which they are members. These public declarations are also placed in the public disclosure files of the senators to whom the declarations relate. This is required under subsection 12(3) and paragraph 31(1)(*i*) of the *Code*.

The annual disclosure process is described in more detail in Appendix E to this report.

(iii) Inquiries

One of the necessary functions of the Senate Ethics Officer is to conduct inquiries where there are allegations of misconduct in order to determine whether a senator has complied with his or her obligations under the *Code*.

Under section 44 of the *Code*, an inquiry may be commenced: (i) at the direction of the Standing Committee on Conflict of Interest for Senators [subsection 44(1)]; (ii) at the request of a senator [subsections 44(2) to 44(6)]; or (iii) at the initiative of the Senate Ethics Officer with the approval of the Standing Committee on Conflict of Interest for Senators, in accordance with the procedure set out in the *Code* [subsections 44(7) to (9)].

Under the *Code*, inquiries are required to be conducted confidentially [subsection 44(11)], but the report of the Senate Ethics Officer is made publicly available once it is tabled in the Senate by the Standing Committee on Conflict of Interest for Senators [subsection 45(1)].

While the function of conducting inquiries is an important one, the public interest is far better served if inquiries can be avoided. It is less costly, more cost-effective, and more efficient to prevent conflicts from arising than to have to deal with them once they have already arisen. As noted earlier, the advisory function of the Senate Ethics Officer emphasizes a preventative approach.

The office has not had to conduct any inquiries to date. Having said that, three advisory opinions have been written by the Senate Ethics Officer, pursuant to subsection 42(1) of the *Code*, which address allegations that had been made against the three senators who were the subject of these opinions (one in 2005, another in 2009 and another in 2011). These opinions, while required to be kept confidential, were made available to the public by the Senate Ethics Officer with the consent of the senators involved. No formal complaint was launched against any of these senators; rather, the senators who were the subject of the allegations had requested an opinion from the Senate Ethics Officer as to whether they had breached any of the provisions of the *Code*. These three opinions are available on the office's website.

B. Other Rules and Laws

It is important to note that the Senate Ethics Officer's jurisdiction is limited to the *Conflict of Interest Code for Senators*. Having said that, the *Code* is not the only set of rules that governs the conduct of senators. There are a number of other rules and laws to which senators are subject. However, these additional rules and laws are outside the purview of my office.

For example, the *Senate Administrative Rules* relate to the proper allocation and use of Senate resources. These rules are within the jurisdiction of the Standing Senate Committee on Internal Economy, Budgets and Administration.

In addition, section 16 of the *Parliament of Canada Act* prohibits senators from receiving outside compensation, whether directly or indirectly, for services rendered or to be rendered to any person, either by the senator or another person, in relation to any matter before the Senate or the House of Commons or any of their committees, or for the purpose of influencing or attempting to influence any member of either House.

Sections 119, 121 and 122 of the *Criminal Code* are other examples of laws that relate to the misuse of a public office. Section 119 deals with offences that relate to bribery. Section 121 concerns frauds on the government and is aimed in part at influence peddling. Section 122 creates offences relating to fraud and breach of trust.

C. Independence of The Senate Ethics Officer

The Senate Ethics Officer is an independent, non-partisan Officer of the Senate. This independence is essential in order to ensure public confidence and credibility in the Senate conflict of interest regime. A number of provisions of the *Parliament of Canada Act* and the *Conflict of Interest Code for Senators* confer this status of independence and autonomy on the Senate Ethics Officer, including the provisions in the Act concerning the appointment process, the security of tenure, financial autonomy, and the management of the office of the Senate Ethics Officer.

For example, subsection 20.4(1) of the Act ensures that the Senate Ethics Officer alone has "the control and management of the office". Subsection 20.4(7) provides that the Senate Ethics Officer is responsible for preparing the estimate of the budget for the office. This estimate is separate and apart from the estimates of the Senate as a whole. Under subsection 20.4(8), the estimate of the Senate Ethics Officer is provided to the Speaker of the Senate who, after considering it, transmits it to the President of the Treasury Board. The President of the Treasury Board then lays it before the House of Commons with the estimates of the government for the fiscal year.

My independence concerning the opinions and advice I provide to individual senators is also clear and is expressly provided for in subsection 41(2) of the *Code*. I am also independent concerning any inquiries I conduct under section 44 of the *Code* and any inquiry reports I prepare under subsection 45(1).

These, and other provisions, ensure that I am able to carry out my functions – providing considered advice to senators and conducting, where necessary, investigations and inquiries – in an impartial manner, free from any outside influence or coercion.

Provisions of the *Parliament of Canada Act* that secure the independence of the Senate Ethics Officer:

- The Officer is appointed by the Governor in Council, by Commission under the Great Seal, after consultation with the leader of every party in the Senate and after approval of the appointment by resolution of the Senate. This is to ensure that the appointment has the broadest support of the Senate irrespective of political party line.
- The Officer is appointed for a term of seven years as an Officer of the Senate and may be removed from her office only for cause, by the Governor in Council, on address of the Senate. These provisions again confer on the Officer a status of independence and autonomy rarely recognized to Government officials and they provide an effective shield against improper or inappropriate influence.
- The Officer has the rank of a deputy head of a department of the Government of Canada and has the control and the management of the office, which she runs independently from the Senate and its Internal Economy Committee. The Officer hires her own staff.
- The Officer has the responsibility for preparing the estimate of the sums required to pay the charges and expenses of the office. This estimate is separate from the estimates of the Senate. The Speaker of the Senate, after considering the estimate, transmits it to the President of the Treasury Board who lays it before the House of Commons with the estimates of the Government for the fiscal year. The Senate reviews the Officer's proposed budget as a part of the annual review of the Main Estimates. This procedure ensures the independence of the Officer and places the responsibility for the estimate of the office on the Senate Ethics Officer. It also emphasizes the direct relationship that Parliament has established between the Officer and the Senate itself, to which the Officer ultimately reports.
- The Officer is required, within three months after the end of each fiscal year, to submit a report of her activities to the Speaker of the Senate, who must table the report in the Senate.

D. Accountability of The Senate Ethics Officer

While I am an independent Officer of the Senate, I am also accountable to the Senate in a number of ways and this accountability is as important as my independence.

I am accountable to the Senate as a whole for my office's overall performance. For example, I am required to prepare an annual report on the activities of my office and this report is tabled in the Senate.

I am also accountable to the Senate for the financial operations of my office. The Senate may review my budget as part of the annual review of the estimates of the government. The office's financial statements are also audited each year by an external auditor and the results are tabled in the Senate as part of my annual report. In addition, my hospitality and travel expenses, as well as office contracts that exceed $10,000, are posted on the office's website.

I am also directly accountable to the Standing Committee on Conflict of Interest for Senators. The *Parliament of Canada Act* establishes this relationship in subsection 20.5(3), which provides that the Senate Ethics Officer carries out her duties and functions under the general direction of a committee of the Senate. The Senate Ethics Officer appears annually before this Committee in order to discuss the annual report of the activities of the office.

The Committee also has an important role to play with respect to investigations and inquiries under the *Code*. It receives the inquiry reports of the Senate Ethics Officer and makes them public. It then considers these reports and thereafter prepares its own reports to the Senate, in which it may recommend appropriate sanctions.

The Committee also undertakes comprehensive reviews of the *Code*. During these reviews, the Senate Ethics Officer is provided with an opportunity to make submissions to the Committee concerning amendments to the *Code*. Again, this assures a further measure of accountability on the part of the Senate Ethics Officer in that it requires that the Senate Ethics Officer examine the *Code* with a view to recommending improvements on an ongoing basis. Of course, the Committee is ultimately responsible for recommending changes to the *Code* to the Senate, and the Senate is ultimately responsible for adopting any such changes.

II. THE YEAR IN REVIEW: 2012-13

A. Amendments to the *Conflict of Interest Code for Senators*

On May 1, 2012, the Senate adopted the Third Report of the Standing Committee on Conflict of Interest for Senators, which recommended the adoption of a revised *Code* that would come into force on October 1, 2012. A copy of the Committee's report is included in Appendix B to this report and a copy of the new *Code* is included in Appendix C.

These amendments were important changes that were aimed at increasing transparency and accountability, as well as confidence in the conflict of interest regime applicable to senators.

> *"The objectives of these six amendments are: to adapt the provisions of the code to contemporary realities and practices; to avoid any misunderstanding about the outside activities of senators; to increase the transparency of the conflict of interest regime applicable to senators; and to enhance the public confidence and trust in the conflict of interest regime applicable to senators."*
>
> *The Honourable Terry Stratton, former Senator,*
> *Debates of the Senate, May 1, 2012*

What follows is a brief description of these recent changes.

(i) Additional disclosure requirements

The amendments require a number of additional disclosure obligations for senators concerning themselves, as well as their spouses or common-law partners. In addition to directorship and officer positions in corporate and other entities, as a result of the changes to the *Code*, senators are also required to disclose *confidentially* to the Senate Ethics Officer any employment, profession or business in which they participate, as well as to provide a description of these activities [paragraph 28(1)(*a*) of the *Code*]. (It should be noted that, under the previous version of the *Code*, this information would have been disclosed to the Senate Ethics Officer if the activity in question generated income over $2,000 for the year.) This information is also required to be *publicly* disclosed under the revised *Code* [paragraph 31(1)(*a*)].

In addition, the changes require senators to disclose confidentially to the Senate Ethics Officer their spouses' or common-law partners' employment, profession or business, and to also provide a description of these activities [paragraph 28(1)(*a*)]. Senators must disclose the nature, but not the amount, of any source of income over $2,000 that their spouses or common-law partners have received in the preceding 12 months and are likely to receive in the next 12 months [paragraph 28(1)(*d*)]. And finally, senators are required to disclose any information regarding the nature, but not the value, of any assets and liabilities of their spouses or common-law partners that are valued at over $10,000 [paragraph 28(1)(*h*)].

The information that senators are required to provide concerning their spouses and common-law partners remains confidential and senators are only required to disclose to the Senate Ethics Officer information in this respect that they are able to ascertain by making reasonable inquiries [subsection 28(2)]. The standard of disclosure for this information is to the best of the senator's knowledge, information and belief [subsection 28(3)]. The purpose of confidential disclosure of this information is to provide senators with practical and helpful advice concerning real, potential or apparent conflicts of interest involving senators' spouses or common-law partners.

Additionally, the source and nature, but not the amount, of any income over $2,000 that senators have received in the last 12 months, or are likely to receive in the next 12 months, is now made public [paragraph 31(1)(*d*)]. Also, the nature, but not the value, of any assets and liabilities that exceed $10,000 in value is now publicly disclosed [paragraph 31(1)(*h*)]. Under the previous version of the *Code*, this income and these assets and liabilities were only publicly disclosed if the Senate Ethics Officer determined that they were relevant to the senators' parliamentary duties and functions or could otherwise be relevant.

The additional disclosure requirements bring the *Code* more in line with other conflict of interest regimes for legislators across Canada in this particular area. These were significant changes given that the more robust the disclosure requirements, the more transparent the system becomes.

(ii) Online access to public disclosure documents

In addition to the means by which the public disclosure documents of senators were already made publicly available (i.e. by attending the Office of the Senate Ethics Officer during business hours), these disclosures are now also posted on the office's website [subsection 33(3) of the *Code*]. This approach is more cost-effective and will ensure that this information is more widely and easily available to the public.

"This amendment [posting the public registry online] would ensure that people from Halifax, Montreal, Winnipeg, Vancouver or Dawson City would have the same access to information about public officials as people living in Ottawa."

The Honourable Terry Stratton, former Senator,
Debates of the Senate, May 1, 2012

(iii) Inquiry reports of the Senate Ethics Officer

Under the revised *Code*, the inquiry reports of the Senate Ethics Officer will be required to be publicly released upon tabling them in the Senate by the Standing Committee on Conflict of Interest for Senators or, if the Senate is not then sitting or if Parliament is dissolved or prorogued, upon the Chair of the Committee transmitting the reports to the Clerk of the Senate [subsections 45(1), (2) and (3) of the *Code*].

These particular changes were aimed at reinforcing the independence of the Senate Ethics Officer as well as increasing transparency in the regime.

(iv) Declarations of private interest

Senators are required to make a declaration of a private interest when they have reasonable grounds to believe that they (or their family members) have a private interest that may be affected by a matter before the Senate or a committee of which they are members. The previous version of the *Code* required that a senator be present at the consideration of the matter to make the declaration of private interest. The revised *Code* allows the senator to make a written declaration without the requirement of being present at the consideration of the matter by the Senate or the committee.

"Conflict of interest rules for public officials have to meet a double threshold. They must be sufficiently open and transparent as regards the legitimate expectations of the public, and they must protect the legitimate expectancy of privacy of senators and their families. The committee believes that its six proposed amendments constitute an appropriate balance between these two criteria."

The Honourable Terry Stratton, former Senator,
Debates of the Senate, May 1, 2012

B. New Senators

This year, ten new senators were appointed. As has been done in the past with respect to newly summoned senators, they were provided with a package of information and material concerning the *Conflict of Interest Code for Senators*. In this context, we emphasize the importance of senators upholding their obligations under the *Code* and that, while the office is able to provide assistance in better understanding the rules, senators have a responsibility in ensuring that they become familiar with them in order to be able to recognize a potential problem area in respect of their own circumstances so that they are able to seek advice when necessary.

C. Opinions and Advice

As noted earlier in this report, the primary role of the Senate Ethics Officer is an advisory one. Opinions and advice are provided to senators in order to assist them in complying with the *Conflict of Interest Code for Senators*.

The advisory role is essential in ensuring that senators understand the conflict of interest rules to which they are subject with the objective of preventing conflicts from arising wherever possible. In this regard, my approach has been and will continue to be, not only to advise on real and potential conflicts, but also to provide advice on apparent conflicts, a notion which is addressed in paragraph 2(1)(c) of the *Conflict of Interest Code for Senators*. In other words, in the office's advisory capacity, the concept of apparent conflicts is an important one. I have found that this notion is a key tool for emphasizing to senators the importance of, not only avoiding conflicts of interest altogether, but also avoiding the appearance of conflicts of interests. And in cases of doubt, our advice is generally to err on the side of caution.

In my view, when a request for an opinion or advice is made, the response time is critical. My objective this year has been, and will continue to be, to provide timely responses to senators. Obviously, in cases where the matter is of a more complex nature that requires significant research and analysis, the response time will be longer.

This year, we provided over 250 opinions and advice to senators of both a formal and informal nature. This demonstrates that senators are availing themselves of the advisory services of the office and asking before acting.

D. Annual Disclosure Process

The office responded to a higher volume of requests from senators concerning their disclosure obligations this year as a result of the 2012 changes to the *Conflict of Interest Code for Senators*, many of which involved additional disclosure requirements concerning both senators and their spouses or common-law partners.

In addition, the office had to address a number of logistical and operational issues associated with making the public disclosure documents of senators available to the public online. One of the issues involved a consideration of how to ensure online access as quickly as possible once the amendments came into force. The annual disclosure process begins in the fall of each year. But when the changes to the *Code* were to come into force (on October 1st, 2012), the annual review process for the year 2012/13 would have only just begun to take place. As such, the public disclosure documents of all senators could not be made publicly available online as of October 1st. For this reason, the public disclosure summaries of senators for this year's annual review were posted online successively, beginning on October 1st of 2012, after each senator's own public disclosure summary had been prepared and processed by my office. Having said that, any statements of sponsored travel, statements of gifts or other benefits, and declarations of private interests were posted online as soon as possible after they were submitted to my office without any delays.

E. Inquiries

It was not necessary to conduct any inquiries under the *Conflict of Interest Code for Senators* this year. As my predecessor noted a number of times during his term, the number of inquiries conducted is directly related to the advisory function of the Senate Ethics Officer. There is a clear correlation between the number of requests for opinions and advice and the number of inquiries that are undertaken. The more requests that are made for opinions and advice, the less the need for costly and time-consuming inquiries and investigations. As Table 1 illustrates, investigations by parliamentary and legislative ethics commissioners are a rare occurrence.

TABLE 1 - INQUIRIES AND INVESTIGATIONS BY PARLIAMENTARY AND LEGISLATIVE ETHICS COMMISSIONERS (2004-2012)

	Date of Establishment of Offices	Number of Parliamentarians	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ontario	1988	107	3	0	2	0	2	0	0	1	0
British Columbia	1990	79	1	0	1	1	1	2	1	0	0
Nova Scotia	1991	52	0	0	0	0	0	0	0	0	0
Alberta	1992	83	1	1	0	3	0	0	0	0	0
N.L.	1993	48	0	0	0	0	0	0	0	0	0
Saskatchewan	1994	58	2	1	0	0	2	0	1	0	0
N.W.T.	1998	19	1	0	0	0	0	3	0	0	0
P.E.I.	1999	27	0	0	0	1	2	1	0	0	0
New Brunswick	2000	55	0	0	1	0	0	0	0	0	1
Nunavut	2000	19	1	0	0	0	2	1	0	1	1
Manitoba	2002	57	0	0	0	0	0	0	0	0	0
Yukon	2002	18	0	0	0	0	2	0	0	0	0
House of Commons	2004	308	0	3	4	1	4	1	4	1	5
Senate*	2005	105	n/a	0	0	0	0	0	0	0	0
Quebec	2011	125	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	2
Total			9	5	8	6	15	8	6	3	9

Source: Annual Reports by federal, provincial, and territorial ethics commissioners

*In 2005, 2009 and 2011, the Senate Ethics Officer publicly released opinions into allegations that particular senators had violated certain provisions of the *Code*.

F. Outreach and External Activities

Outreach activities are invaluable -- particularly in an area like conflict of interest -- in order to share best practices and ensure an exchange of information with other organizations that are responsible for interpreting and applying ethics and/or conflict of interest rules and/or laws. Conferences, seminars and information sessions are beneficial in order to build one's knowledge of the field and to consider new approaches and new ideas. These interactions are an opportunity to educate the public about the conflict of interest regime applicable to senators and the work of my office.

This year, I addressed the participants of the Parliamentary Officers' Study Program. This program is designed to provide opportunities for senior parliamentary staff from other Canadian legislatures and foreign legislatures to learn about the Canadian Parliament, and to discuss and exchange views with senior Canadian parliamentary officials on the various procedural, administrative and research services provided to parliamentarians. The program involves the Senate, the House of Commons and the Library of Parliament and takes place in Ottawa.

The office also participated in the annual conference of the Canadian Conflict of Interest Network (CCOIN), which took place this year in Fredericton, New Brunswick. CCOIN is comprised of the various ethics and conflict of interest commissioners across the country at the federal, provincial and territorial levels of government -- those who have jurisdiction over members of legislative bodies. We gather together as a group on an annual basis to discuss issues of common interest and to seek the thoughts and views of colleagues concerning matters related to conflict of interest and ethics.

The office also met with a series of delegations from various countries in order to provide information concerning the conflict of interest regime in the Senate.

In addition, the office prepared a number of informational materials for senators in order to assist them in understanding their new obligations under the *Conflict of Interest Code for Senators* as a result of the recent amendments to it.

Finally, the office website was updated this year in order to provide additional information to the public in light of the recent amendments to the *Code*; in particular, and as noted earlier, the public registry is now available on the office's website. Changes were also made to the website in order to assist the public, as well as senators, to better understand the amendments and the process for their implementation. Over the years, the office has received a fairly large number of visits to the website and this year was no exception with 14,029 visits.

G. Budget

For the year 2012-2013, the office's total authorities were $807,297. Actual expenditures were $645, 875. The 2013-2014 Main Estimates are $788,294.

Our financial statements for the year 2012-2013 were audited by the firm van Berkom Professional Corporation, Chartered Professional Accountants, Chartered Accountants. I am pleased to report that we received a favourable report on the audit. The result of the audit is contained in Appendix G to this Report.

III. KEY OBLIGATIONS OF SENATORS

The following is a summary of the primary obligations that senators have in the context of the *Conflict of Interest Code for Senators*:

- Senators may not act in any way to further their private interests, or those of their family members, or to improperly further another person's or entity's private interests when performing parliamentary duties and functions [section 8].
- Senators may not use their position to influence a decision of another person in order to further their own private interests, or those of their family members, or to improperly further another person's or entity's private interests [section 9].
- Senators may not use information that is generally not available to the public to further their own private interests, or those of their family members, or to improperly further another person's or entity's private interests [section 10].
- Senators are expected to make a declaration, orally or in writing, when they have reasonable grounds to believe that they or their family members have a private interest that might be affected by a matter that is before the Senate or a committee of the Senate in which they are members [subsection 12(1)]. They may not participate in debate on that matter, nor are they permitted to vote, though they may abstain [subsections 13(1) and (2) and section 14]. In the case of committees, senators must also withdraw from the proceedings [subsection 13(2)]. With respect to senators who are only participating in committee proceedings, but are not formal members, they too must refrain from participating in debate on any matter in which they have reasonable grounds to believe they have a private interest and they too must withdraw from the proceedings in question [subsection 13(3)].
- Senators may not accept, nor may a family member accept, any gift or other benefit that could reasonably be considered to relate to their position, except as permitted under the *Code*. Gifts, benefits and sponsored travel that are acceptable under the *Code* must be declared to the Senate Ethics Officer if they exceed $500 in value [sections 17 and 18] and these must be publicly declared pursuant to paragraph 31(1)(*j*).

- Senators may not be parties to, or have interests in corporations or partnerships that are parties to, contracts with the Government of Canada under which they receive a benefit, unless specifically authorized by the Senate Ethics Officer [sections 20-26].
- Senators are expected to disclose their private interests to the Senate Ethics Officer on an annual basis and those interests required to be publicly disclosed under the *Code* are then placed on the public record [sections 27-34].
- Senators must report to the Senate Ethics Officer any material change to the information in their confidential disclosure statements, within the prescribed time [subsection 28(6)].
- Senators must cooperate with the Senate Ethics Officer with respect to any inquiry [subsection 44(12)].

IV. THE CODE IN PRACTICE: SELECTED EXAMPLES

The following is a list of examples of cases that illustrate how the *Conflict of Interest Code for Senators* is applied to specific fact scenarios. They are intended to help the reader better understand the provisions of the *Code* and to highlight some of the more important rules with which senators must comply.

It should be noted, however, that these cases have been abbreviated and, as such, do not reflect the level of detail that may be provided in opinions and advice given to senators. The opinions and advice are based on a careful analysis of the provisions of the *Code* and of each senator's circumstances, whereas the cases below are for illustrative purposes only and are intended to be educational and informative.

A. Activities Outside Official Parliamentary Duties

General

1. Issue

To what extent does the Code permit senators to engage in activities outside their parliamentary duties and functions?

Considerations

Section 5 of the *Code* authorizes senators, who are not Ministers of the Crown, to participate in activities outside their parliamentary duties and functions, as long as they are able to fulfill their obligations under the *Code*. For example, senators are permitted to sit as members of boards of directors of not-for-profit and for-profit organizations provided these activities do not result in a senator running afoul of any provisions of the *Code*. In order to avoid this, certain restrictions and conditions could be recommended.

However, Senators are required to disclose these outside activities to the Senate Ethics Officer, who then makes this information available to the public.

It is worth noting that the rules that apply to Cabinet ministers are much more restrictive than those that apply to senators and members of the House of Commons, reflecting the fact that Cabinet ministers have considerable executive powers. The role, responsibilities and powers of legislators are, however, quite distinct with the result that both senators and members of the House of Commons are permitted outside activities.

B. Sponsored Travel

Sponsored Travel (General)

2. Issue

Under what circumstances does the Code permit senators to accept sponsored travel?

Considerations

Subsection 18(1) of the *Code* provides that a senator and guests of the senator may accept sponsored travel if it arises or relates to the senator's position. Where the cost of any such travel exceeds $500 and is not paid for by the senator or any guests of the senator, or through international and interparliamentary affairs programs recognized by the Parliament of Canada, or by the Senate, the Government of Canada or the senator's political party, the trip must be disclosed to the Senate Ethics Officer within 30 days after the end of it. As well, paragraph 31(1)(*j*) requires that any such trip be publicly disclosed.

Parliamentary associations

3. Issue

Does a senator have to declare sponsored travel that is paid by a parliamentary association for the purpose of attending meetings abroad?

Considerations

Subsection 18(1) of the *Code* provides that sponsored travel paid through the programs for international and interparliamentary affairs of the Parliament of Canada need not be reported to the Senate Ethics Office, nor must it be publicly declared, since these associations are funded by Parliament.

Foreign governments

4. Issue

A senator is invited by a foreign government to attend meetings abroad as part of his or her parliamentary duties and functions. The host country is offering to pay the travel and accommodation costs. Is the senator permitted to accept the offer under the Code?

Considerations

Under subsection 18(1), sponsored travel that arises from or relates to a senator's position is acceptable. However, if the cost of the travel exceeds $500, the senator would be required to file a statement of sponsored travel with the Senate Ethics Office within 30 days after the end of the trip. This statement would include the name

of the government paying for the trip, the purpose and length of the trip, as well as a general description of the benefits received [subsection 18(2)]. This information would then be placed on the senator's public file under paragraph 31(1)(*j*) of the *Code*.

C. Gifts and Other Benefits

Golf memberships

5. Issue

Is a senator permitted to accept a free membership in a golf club? This membership has been offered in his or her capacity as a senator.

Considerations

The senator is not permitted to accept this benefit since it could reasonably be considered to relate to the senator's position and, as such, would fall under subsection 17(1) of the *Code*.

Honorariums and Gifts for Speeches

6. Issue

Is a senator permitted to accept an honorarium for giving a speech at a conference?

Considerations

Whether the honorarium is acceptable depends on the particular circumstances. If the senator's participation at the conference is related to his or her parliamentary duties and functions and if the specific expertise was acquired in the Senate, the honorarium may not be accepted [subsection 17(1) of the *Code*]. However, the senator may accept an honorarium if the speech is given in connection with an outside or professional activity, the expertise was acquired before the senator was appointed to the Senate, and the honorarium cannot reasonably be seen to have been given to influence the senator. In cases of doubt, the Senate Ethics Officer should be consulted.

7. Issue

Is a senator permitted to accept a gift as an expression of appreciation for delivering a speech at a conference in which he or she participated in his or her capacity as a senator?

Considerations

The gift may be accepted under subsection 17(2) of the *Code* since it is "a normal expression of courtesy or protocol" and is "within the customary standards of hospitality that normally accompany [a] senator's position". However, if the value of the gift exceeds

$500, a declaration must be filed with the Senate Ethics Office within 30 days after the receipt of the gift, in accordance with subsection 17(3) of the *Code*. This declaration must then be filed in the senator's public file under paragraph 31(1)(*j*).

8. Issue

Is a senator permitted to request that, instead of accepting a gift offered as a token of appreciation for having given the keynote address at an event, a donation be made to a charitable organization of the senator's choice? The senator is participating in the event as part of his or her parliamentary duties and functions.

Considerations

The senator may make such a request provided he or she does not receive any benefit, directly or indirectly, from the donation [subsection 17(1) of the *Code*]. The donation should be given directly by the event organizer to the charitable organization and any income tax receipt should be provided to the sponsor of the conference, not to the senator.

D. Federal Contracts

Federal Contracts (Family members)

9. Issue

Is a senator's spouse or common-law partner permitted to be a party to a contract with the federal government?

Considerations

A senator's spouse or common-law partner may be a party to a federal government contract under the *Code*. However, confidential disclosure to the Senate Ethics Officer is necessary under paragraph 28(1)(*g*) and a public declaration is required under paragraph 31(1)(*g*) of the *Code*. Furthermore, the senator would be advised to refrain from making representations, on behalf of his or her spouse or common-law partner, to the Government of Canada or any federal agency or body in order to obtain or extend contracts, or from acting in any way to further his or her spouse's or common-law partner's private interests, or his or her own private interests, as defined under subsection 11(1) of the *Code*. Under section 9 and paragraph 2(1)(*c*) of the *Code*, his or her spouse or common-law partner should not receive, or appear to receive, preferential treatment or unfair advantage in the awarding of federal contracts due to representations made by the senator on his or her spouse's or common-law partner's behalf.

E. Declarations of Private Interest

Procedure for Declaration of a Private Interest

10. Issue

What are the circumstances under which a senator must make a declaration of a private interest in the Senate or in a committee of which he or she is a member; the manner in which a declaration must be made; and the restrictions that would be imposed upon him or her under such circumstances?

Considerations

Under subsection 12(1), a senator must make a declaration of a private interest if he or she has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected by a matter that is before the Senate or a committee of the Senate of which the Senator is a member. The senator must make the declaration at the earliest opportunity. It may be made orally on the record or in writing to the Clerk of the Senate if the matter is before the Senate, or to the Clerk of the committee if the matter is before a committee. The declaration will be recorded in the *Journals of the Senate* if it was made in the Senate, or in the *Minutes of Proceedings* of the committee if it was made in committee. It is then sent to the Senate Ethics Officer, who must file it in the senator's public disclosure file [subsection 12(3) and paragraph 31(1)(*i*)]. This file is in the Public Registry, along with all other senators' public disclosure files, at the Office of the Senate Ethics Officer, as well as on the office's website [section 33].

Once the senator makes a declaration of a private interest in the Senate or in the relevant committee, he or she may not participate in debate or any other deliberations in the Senate or in a committee with respect to that matter [subsections 13(1) and (2)] and he or she may not vote on the matter but may abstain [section 14]. In addition, if the matter is before a Senate committee, the senator must also withdraw altogether from the proceedings in question [subsections 13(2)].

Matter specifically relates to Senator's Company

11. Issue

Is a senator required to make a declaration of a private interest where he or she is a member of the board of directors of company "A" and a matter before the Senate specifically relates to company "A"?

Considerations

A declaration of a private interest would be required under subsection 12(1) of the *Code* since the subject matter being discussed in the Senate affects the senator's private interest as defined under subsection 11(1) of the *Code*. The senator may not participate in debate

on the matter [subsection 13(1)] and may not vote [section 14]. A declaration of a private interest may be made orally on the record or in writing to the Clerk of the Senate, in accordance with the procedure set out in subsection 12(1) of the *Code*.

Not Official Committee Member

12. Issue

A senator is not an official member of a particular committee of the Senate; however, he or she does participate in its proceedings from time to time. A matter is before this committee in which he or she has a private interest. Since the senator is not an official committee member, what are the rules that apply to him or her under the circumstances?

Considerations

Notwithstanding that the senator may not be an official member of this particular committee, he or she is still prohibited from participating in its proceedings if they concern a matter in which he or she has a private interest [subsection 13(3)]. In fact, the senator would also be required to withdraw from the relevant proceedings altogether [subsection 13(3)]. With respect to voting, he or she would not be entitled to vote on the matter given that he or she is not an official member of the committee.

F. Furthering Private Interests

Influence

13. Issue

In what circumstances would section 9 of the Code (use of influence) be relevant?

Considerations

Section 9 of the *Code* is aimed at ensuring that senators do not use, or attempt to use, their position as senators in order to influence the decisions of individuals, entities, or governments in order to benefit themselves or their family members or to improperly benefit another person or entity in any manner listed under subsection 11(1) of the *Code*. The provision is very broad and is not limited to influencing decisions of governments to further private interests, although the use of influence in regards to decisions of government respecting the awarding of contracts or other financial benefits is always of particular concern.

The advice provided to a senator concerning how to ensure that he or she remains in compliance with section 9 would depend upon the particular facts of the case. However, in cases involving decisions of government, senators would, for example,

be cautioned against personally having any dealings with government officials and, in particular, federal government officials, in order to obtain, or seek to obtain, a financial benefit, including contracts or financial assistance, on behalf of themselves, their family members, or on behalf of any entities where to do so would be improper (for example, on behalf of a private corporation in which the senator, or a family member of the senator, holds a position on the board of directors). This would include arranging or facilitating meetings with government officials. Taking this precaution also addresses the perception of a conflict [paragraph 2(1)(c)] under section 9.

G. Investigations and Inquiries

Process for Making a Complaint against another Senator

14. Issue

What is the process for initiating a complaint against another senator?

Considerations

A senator who has reasonable grounds to believe that another senator has not complied with his or her obligations under the *Code* may request that the Senate Ethics Officer conduct an inquiry into the matter [subsection 44(2)]. The request must be in writing, signed by the requesting senator and it must identify the alleged non-compliance with the *Code* and the grounds for the allegation [subsection 44(3)].

The Senate Ethics Officer is required to forward the request for an inquiry to the senator who is the subject of the allegation and to afford that senator a reasonable opportunity to respond [subsection 44(4)].

The Senate Ethics Officer must then conduct a preliminary review to determine whether or not an inquiry is in fact warranted and she must then notify the requesting senator and the senator who is the subject of the allegation of her decision in this regard [subsection 44(5)]. The Senate Ethics Officer must also inform the Conflict of Interest Committee for Senators if she decides that an inquiry is warranted under the circumstances [subsection 44(6)].

There are two other ways in which an inquiry may be conducted by the Senate Ethics Officer: (1) at the direction of the Standing Committee on Conflict of Interest for Senators [subsection 44(1)]; and (2) on her own initiative, with the approval of the Committee, if after receiving significant evidence, the Senate Ethics Officer believes that an inquiry may be warranted to determine whether a senator has complied with his or her obligations under the *Code* [subsections 44(7) to (9)].

APPENDICES

APPENDIX

A

APPENDIX A

Relevant Excerpts from the Parliament of Canada Act, R.S.C. 1985, c. P-1, as am. by S.C. 2004, c.7; S.C. 2006, c. 9, sections 20.1 to 20.7

SENATE ETHICS OFFICER

Appointment

20.1 The Governor in Council shall, by commission under the Great Seal, appoint a Senate Ethics Officer after consultation with the leader of every recognized party in the Senate and after approval of the appointment by resolution of the Senate.

Tenure

20.2 (1) The Senate Ethics Officer holds office during good behaviour for a term of seven years and may be removed for cause by the Governor in Council on address of the Senate. He or she may be reappointed for one or more terms of up to seven years each.

Interim appointment

(2) In the event of the absence or incapacity of the Senate Ethics Officer, or if that office is vacant, the Governor in Council may appoint any qualified person to hold that office in the interim for a term not exceeding six months, and that person shall, while holding office, be paid the salary or other remuneration and expenses that may be fixed by the Governor in Council.

Remuneration

20.3 (1) The Senate Ethics Officer shall be paid the remuneration set by the Governor in Council.

Expenses

(2) The Senate Ethics Officer is entitled to be paid reasonable travel and living expenses incurred in the performance of his or her duties or functions while absent from his or her ordinary place of residence, in the case of a part-time appointment, and ordinary place of work, in the case of a full-time appointment.

Functions - part-time

(3) In the case of a part-time appointment, the Senate Ethics Officer may not accept or hold any office or employment - or carry on any activity - inconsistent with his or her duties and functions under this Act.

Functions - full-time

(4) In the case of a full-time appointment, the Senate Ethics Officer shall engage exclusively in the duties and functions of the Senate Ethics Officer and may not hold any other office under Her Majesty or engage in any other employment for reward.

Deputy head

20.4 (1) The Senate Ethics Officer has the rank of a deputy head of a department of the Government of Canada and has the control and management of the office of the Senate Ethics Officer.

Powers to contract

(2) The Senate Ethics Officer may, in carrying out the work of the office of the Senate Ethics Officer, enter into contracts, memoranda of understanding or other arrangements.

Staff

(3) The Senate Ethics Officer may employ any officers and employees and may engage the services of any agents, advisers and consultants that the Senate Ethics Officer considers necessary for the proper conduct of the work of the office of the Senate Ethics Officer.

Authorization

(4) The Senate Ethics Officer may, subject to the conditions he or she sets, authorize any person to exercise any powers under subsection (2) or (3) on behalf of the Senate Ethics Officer that he or she may determine.

Salaries

(5) The salaries of the officers and employees of the office of the Senate Ethics Officer shall be fixed according to the scale provided by law.

Payment

(6) The salaries of the officers and employees of the office of the Senate Ethics Officer, and any casual expenses connected with the office, shall be paid out of moneys provided by Parliament for that purpose.

Estimates to be prepared

(7) Prior to each fiscal year, the Senate Ethics Officer shall cause to be prepared an estimate of the sums that will be required to pay the charges and expenses of the office of the Senate Ethics Officer during the fiscal year.

Inclusion in Government estimates

(8) The estimate referred to in subsection (7) shall be considered by the Speaker of the Senate and then transmitted to the President of the Treasury Board, who shall lay it before the House of Commons with the estimates of the government for the fiscal year.

Duties and functions

20.5 (1) The Senate Ethics Officer shall perform the duties and functions assigned by the Senate for governing the conduct of members of the Senate when carrying out the duties and functions of their office as members of the Senate.

Privileges and immunities

(2) The duties and functions of the Senate Ethics Officer are carried out within the institution of the Senate. The Senate Ethics Officer enjoys the privileges and immunities of the Senate and its members when carrying out those duties and functions.

General direction of committee

(3) The Senate Ethics Officer shall carry out those duties and functions under the general direction of any committee of the Senate that may be designated or established by the Senate for that purpose.

Conflict of Interest Act

(4) For greater certainty, the administration of the *Conflict of Interest Act* in respect of public office holders who are ministers of the Crown, ministers of state or parliamentary secretaries is not part of the duties and functions of the Senate Ethics Officer or the committee.

Clarification - powers, etc., of the Senate

(5) For greater certainty, this section shall not be interpreted as limiting in any way the powers, privileges, rights and immunities of the Senate or its members.

No summons

20.6 (1) The Senate Ethics Officer, or any person acting on behalf or under the direction of the Senate Ethics Officer, is not a competent or compellable witness in respect of any matter coming to his or her knowledge as a result of exercising any powers or performing any duties or functions of the Senate Ethics Officer under this Act.

Protection

(2) No criminal or civil proceedings lie against the Senate Ethics Officer, or any person acting on behalf or under the direction of the Senate Ethics Officer, for anything done, reported or said in good faith in the exercise or purported exercise of any power, or the performance or purported performance of any duty or function, of the Senate Ethics Officer under this Act.

Clarification

(3) The protection provided under subsections (1) and (2) does not limit any powers, privileges, rights and immunities that the Senate Ethics Officer may otherwise enjoy.

Annual report

20.7 (1) The Senate Ethics Officer shall, within three months after the end of each fiscal year, submit a report on his or her activities under section 20.5 for that year to the Speaker of the Senate, who shall table the report in the Senate.

Confidentiality

(2) The Senate Ethics Officer may not include in the annual report any information that he or she is required to keep confidential.

APPENDIX B

APPENDIX B

The Standing Committee on the Conflict of Interest for Senators

REPORT OF THE COMMITTEE Thursday, March 29, 2012

has the honour to present its

THIRD REPORT

Your committee, which is responsible on its own initiative for all matters relating to the *Conflict of Interest Code for Senators*, pursuant to rule 86(1)(*r*)(ii) of the *Rules of the Senate*, has undertaken a study on the provisions of the *Code*, and is pleased to report as follows:

The Standing Committee on Conflict of Interest for Senators exercises general and constant oversight over the conflict of interest regime applicable to Senators. As part of this mandate, the Committee ensures that the provisions of the *Conflict of Interest Code for Senators* are clear and current. In this regard, the Committee is now proposing six amendments to the *Code*.

The objectives of these amendments are:

- To adapt the provisions of the *Code* to contemporary realities and practices;
- To avoid any misunderstanding about the outside activities of Senators;
- To increase the transparency of the conflict of interest regime applicable to Senators; and
- To enhance public confidence and trust in the conflict of interest regime applicable to Senators.

Senators' Employment, Profession or Business

Current Provisions

Every Senator must file annually with the Senate Ethics Officer a confidential disclosure statement pursuant to section 28 of the *Code* which lists the confidential disclosures Senators are required to make. At present, there is no provision in section 28 for the direct disclosure of a Senator's employment, profession or business, though this information is disclosed indirectly through the disclosure of sources of income.

Proposed Amendment
In addition to the existing disclosures made under section 28, the Committee proposes that a Senator's employment, profession or business be disclosed to the Senate Ethics Officer regardless of the annual income.

Rationale
This amendment would increase the transparency, accountability and public confidence in the conflict of interest regime applicable to Senators. It would also avoid any misunderstanding about the outside activities of Senators.

Senators' Public Disclosure Summaries

Current Provisions
Currently, the *Code* limits public disclosure of a Senator's sources of income, assets and liabilities to matters which could relate to the parliamentary duties and functions of the Senator or could lead to a conflict.

Proposed Amendment
The Committee recommends that the public disclosure of sources of income, assets and liabilities be no longer limited to matters the Senate Ethics Officer has determined to be related to the parliamentary duties and functions of the Senator or otherwise relevant. The Committee proposes, therefore, to include in the Senators' public disclosure summaries:

- The source and nature, but not the amount, of any income over $2,000 annually; and
- The nature, but not the value, of any assets and liabilities over $10,000.

Similarly, a Senator's employment, profession or business would also be included in the Senators' public disclosure summaries.

Rationale
This amendment would avoid any misunderstanding about the outside activities of Senators. This amendment would also increase the transparency of the conflict of interest regime applicable to Senators.

Online Access to Senators' Public Disclosure Summaries

Current Provisions
The Senate Ethics Officer prepares a public disclosure summary for each Senator

based on the information provided by the Senator in his or her annual disclosure statement. At present, the public disclosure summaries of Senators are made available to the public in the office of the Senate Ethics Officer during business hours, and by fax upon request.

Proposed Amendment
The Committee proposes that, in addition to the existing measures through which they are made available to the public, the public disclosure summaries of Senators be posted on the Senate Ethics Officer's Website.

Rationale
This amendment would adapt to contemporary realities the provisions of the *Code* through which public disclosure summaries are made available to the public by utilizing modern means of communication as in other jurisdictions.

Confidential Disclosure Relating to Spouses and Common-Law Partners

Current Provisions
Senators' disclosure obligations with respect to family members are currently limited to contracts with the Government of Canada and gifts and other benefits when these are acceptable in accordance with the *Code*, and these are disclosed confidentially to the Senate Ethics Officer and are included in the Senators' public disclosure summaries.

Proposed Amendment
The Committee proposes that, with respect to his or her spouse or common-law partner only, and not other family members, a Senator disclose confidentially to the Senate Ethics Officer the information that he or she, himself or herself, discloses confidentially to the Senate Ethics Officer only. This information includes, for example, outside activities such as employment and profession and the nature, but not the amount, of any source of income over $2,000 annually, and the nature, but not the value, of any assets and liabilities over $10,000. This disclosure would remain confidential to the Senate Ethics Officer only. This disclosure would be to the best of the Senator's knowledge, information and belief ascertained by the Senator's reasonable inquiries.

Rationale
This amendment would enable the Senate Ethics Officer to provide meaningful advice about real and potential conflicts of interests involving Senators' spouses or common law partners.

Inquiry Reports of the Senate Ethics Officer

Current Provisions

Under the current section 45 of the *Code*, the Senate Ethics Officer reports confidentially to the Committee upon the completion of an inquiry. The Committee may then conduct an investigation and report to the Senate. The report of the Committee and the report of the Senate Ethics Officer become public only when the Committee reports to the Senate.

Proposed Amendment

The Committee proposes that an inquiry report from the Senate Ethics Officer become public as soon as it is received by the Committee and in the same form it is received. The name of the Senator who was the subject of an inquiry, as at present, would be kept confidential, at his or her request, if there was no breach of the *Code*.

Rationale

This amendment would reinforce the independence of the Senate Ethics Officer by ensuring the integrity and public disclosure of his or her inquiry reports as is commonly done in other jurisdictions. It would also increase the transparency of the *Code*.

Declaration of Private Interest

Current Provisions

A Senator must make a declaration of private interest when he or she, or a family member, has a private interest that may be affected by a matter before the Senate or a committee of which the Senator is a member. The *Code* currently requires that the Senator be present at the consideration of the matter to make the declaration of private interest.

Proposed Amendment

The Committee proposes to allow the Senator to make a written declaration of private interest without the requirement of being present at the consideration of the matter by the Senate or the committee.

Rationale

This amendment would facilitate the declaration of private interest by a Senator.

Coming Into Force

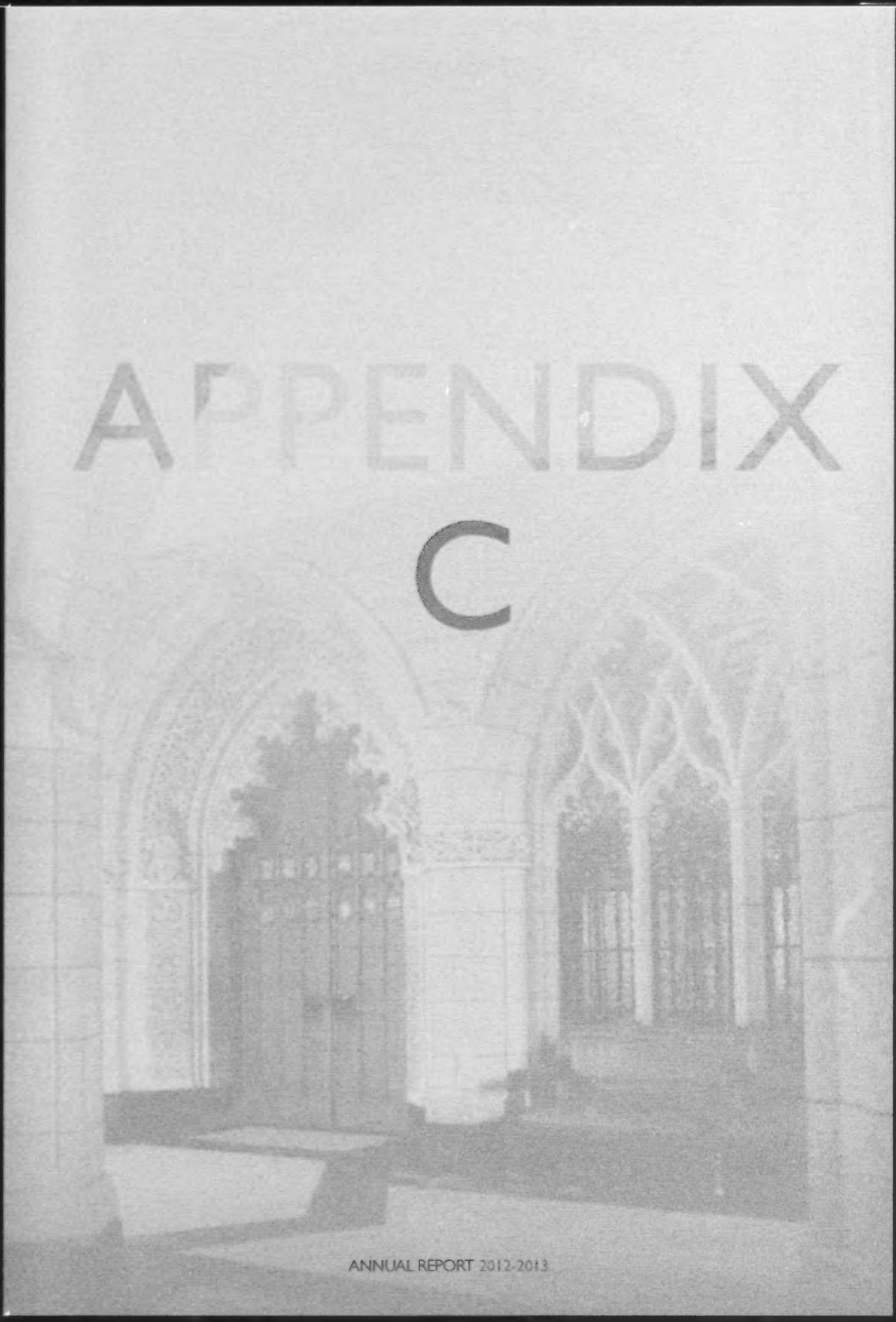
These proposed amendments lead to changes to sections 12, 27, 28, 31, 33, 45 and 46 of the *Conflict of Interest Code for Senators*. The *Code*, with the recommended amendments integrated, is attached as an Appendix to this report. Your committee recommends that these proposed amendments be adopted and that the *Code* come into force on October 1, 2012.

Conflict of Interest Code for Senators

Respectfully submitted,

TERRY STRATTON
Chair

APPENDIX C



APPENDIX C

CONFLICT OF INTEREST CODE FOR SENATORS

PURPOSES

Purposes

1. The purposes of this *Code* are to

(*a*) maintain and enhance public confidence and trust in the integrity of Senators and the Senate;

(*b*) provide for greater certainty and guidance for Senators when dealing with issues that may present foreseeable real or apparent conflicts of interest; and

(*c*) establish clear standards and a transparent system by which questions relating to proper conduct may be addressed by an independent, non-partisan adviser.

PRINCIPLES

Principles

2. (1) Given that service in Parliament is a public trust, the Senate recognizes and declares that Senators are expected

(*a*) to remain members of their communities and regions and to continue their activities in those communities and regions while serving the public interest and those they represent to the best of their abilities;

(*b*) to fulfill their public duties while upholding the highest standards so as to avoid conflicts of interest and maintain and enhance public confidence and trust in the integrity of each Senator and in the Senate; and

(*c*) to arrange their private affairs so that foreseeable real or apparent conflicts of interest may be prevented from arising, but if such a conflict does arise, to resolve it in a way that protects the public interest.

Privacy

(2) The Senate further declares that this *Code* shall be interpreted and administered so that Senators and their families shall be afforded a reasonable expectation of privacy.

INTERPRETATION

Definitions

3. (1) The following definitions apply in this *Code*.

"Committee"
« *Comité* »

"Committee" means the Committee designated or established under section 35.

"common-law partner"
« *conjoint de fait* »

"common-law partner" means a person who is cohabiting with a Senator in a conjugal relationship, having so cohabited for at least one year.

"Intersessional Authority"
« *autorité intersessionnelle* »

"Intersessional Authority on Conflict of Interest for Senators" means the comittee established by section 38.

"parliamentary duties and functions"
« *fonctions parlementaires* »

"parliamentary duties and functions" means duties and activities related to the the position of Senator, wherever performed, and includes public and official business and partisan matters.

"Senate Ethics Officer"
« *conseiller sénatorial en éthique* »

"Senate Ethics Officer" means the Senate Ethics Officer appointed under section 20.1 of the *Parliament of Canada Act*.

"spouse"
« *époux* »

"spouse" means a person to whom a Senator is married but does not include a person from whom the Senator is separated where all support obligations and family property have been dealt with by a separation agreement or by a court order.

Family members

(2) The following are the family members of a Senator for the purposes of this *Code*:

(*a*) a Senator's spouse or common-law partner; and

(*b*) a child of a Senator, a child of a Senator's spouse or common-law partner, or a person whom a Senator treats as a child of the family, who

(i) has not reached the age of 18 years, or

(ii) has reached that age but is primarily dependent on a Senator or a Senator's spouse or common-law partner for financial support.

ACTIVITIES AND JURISDICTION PRESERVED

Assisting the public

4. Senators are encouraged to continue to assist members of the public as long as their actions are consistent with their obligations under this *Code*.

Carrying on activities

5. Senators who are not ministers of the Crown may participate in any outside activities, including the following, as long as they are able to fulfill their obligations under this *Code*:

(*a*) engaging in employment or in the practice of a profession;

(*b*) carrying on a business;

(*c*) being a director or officer in a corporation, association, trade union or not-for-profit organization; and

(*d*) being a partner in a partnership.

Existing committee jurisdiction

6. Nothing in this *Code* affects the jurisdiction of the Standing Senate Committee on Internal Economy, Budgets and Administration.

Role of the Speaker

7. Procedural matters referred to in this *Code* that are expressly provided for in the *Rules of the Senate* are under the jurisdiction and authority of the Speaker rather than the Senate Ethics Officer.

RULES OF CONDUCT

Furthering private interests

8. When performing parliamentary duties and functions, a Senator shall not act or attempt to act in any way to further his or her private interests, or those of a family member, or to improperly further another person's or entity's private interests.

Use of influence

9. A Senator shall not use or attempt to use his or her position as a Senator to influence a decision of another person so as to further the Senator's private interests, or those of a family member, or to improperly further another person's or entity's private interests.

Use of information

10. (1) If as a result of his or her position, a Senator obtains information that is not generally available to the public, the Senator shall not use or attempt to use the information to further the Senator's private interests, or those of a family member, or to improperly further another person's or entity's private interests.

Conveying information

(2) A Senator shall not convey or attempt to convey information referred to in subsection (1) to another person if the Senator knows, or reasonably ought to know, that the information may be used to further the Senator's private interests, or those of a family member, or to improperly further another person's or entity's private interests.

Clarification: furthering private interests

11. (1) In sections 8 to 10, furthering private interests of a person or entity, including the Senator's own private interests, means actions taken by a Senator for the purpose of achieving, directly or indirectly, any of the following:

(*a*) an increase in, or the preservation of, the value of the person's or entity's assets;

(*b*) the elimination, or reduction in the amount, of the person's or entity's liabilities;

(*c*) the acquisition of a financial interest by the person or entity;

(*d*) an increase in the person's or entity's income from a contract, a business or a profession;

(e) an increase in the person's income from employment;

(*f*) the person becoming a director or officer in a corporation, association, trade union or not-for-profit organization; or

(*g*) the person becoming a partner in a partnership.

Clarification: not furthering private interests

(2) A Senator is not considered to further his or her own private interests or the private interests of another person or entity if the matter in question

(*a*) is of general application;

(*b*) affects the Senator or the other person or entity as one of a broad class of the public; or

(*c*) concerns the remuneration or benefits of the Senator as provided under an Act of Parliament or a resolution of the Senate or of a Senate committee.

Declaration of a private interest: Senate or committee

12. (1) If a Senator has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected by a matter that is before the Senate or a committee of which the Senator is a member, the Senator shall make a declaration regarding the general nature of the private interest. The declaration can be made orally on the record or in writing to the Clerk of the Senate or the clerk of the committee, as the case may be, but shall be made no later than the first occasion at which the Senator is present during consideration of the matter. The Speaker of the Senate shall cause the declaration to be recorded in the *Journals of the Senate* and the Chair of the committee shall, subject to subsection (4), cause the declaration to be recorded in the Minutes of Proceedings of the committee.

Subsequent declaration

(2) If a Senator becomes aware at a later date of a private interest that should have been declared under subsection (1), the Senator shall make the required declaration forthwith.

Declaration recorded

(3) The Clerk of the Senate or the Clerk of the committee, as the case may be, shall send the declaration to the Senate Ethics Officer who, subject to subsection (4) and paragraph 31(1)(*h*), shall file it with the Senator's public disclosure summary.

Where declaration *in camera*

(4) In any case in which the declaration was made during an *in camera meeting*, the Chair of the committee and Senate Ethics Officer shall obtain the consent of the subcommittee on agenda and procedure of the committee concerned before causing the declaration to be recorded in the Minutes of Proceedings of the committee or filing it with the Senator's public disclosure summary, as the case may be.

Further declaration

(5) A declaration made *in camera* that, in compliance with subsection (4), has been neither recorded nor filed with the Senator's public disclosure summary is only valid in respect of the proceeding during which the declaration was made or the matter that the declaration concerned was discussed, and the Senator shall make a further declaration at the first possible opportunity.

Declaration of a private interest: other circumstances

(6) In any circumstances other than those in subsection (1) that involve the Senator's parliamentary duties and functions, a Senator who has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected shall make an oral declaration regarding the general nature of the private interest at the first opportunity.

Declaration of retraction

(7) A Senator may, by declaration made under this section, retract a previous declaration, in which case the Senator may participate in debate or other deliberations and vote on the matter in respect of which the previous declaration was made.

Debate in the Senate

13. (1) A Senator who has made a declaration under section 12 regarding a matter that is before the Senate may not participate in debate or any other deliberations in the Senate with respect to that matter.

Debate in committee where Senator is member

(2) A Senator who has made a declaration under section 12 regarding a matter that is before a committee of the Senate of which the Senator is a member may not participate in debate or any other deliberations in the committee on the matter, and must withdraw from the committee for the duration of those proceedings, but the Senator need not resign from the committee.

Debate in committee where Senator is not member

(3) A Senator who has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected by a matter that is before a committee of the Senate of which the Senator is not a member may not participate in debate or any other deliberations in the committee on the matter, and must withdraw from the committee for the duration of those proceedings.

Debate where Senator has not yet declared

(4) A Senator who is required by section 12 to make a declaration but has not yet done so may not participate in debate or any other deliberations on the matter and, in the case of committee proceedings, the Senator must withdraw from the committee for the duration of those proceedings.

Prohibition on voting

14. A Senator who has made a declaration under section 12, or a Senator who is required to make such a declaration but has not yet done so, may not vote on the matter but may abstain.

Procedure

15. If a Senator reasonably believes that another Senator has failed to make a declaration of a private interest as required by section 12 or has failed to comply with section 13 or 14, the matter may be raised with the Senate Ethics Officer.

Clarification: having a private interest

16. For the purpose of sections 12 to 14, private interest means those interests that can be furthered in subsection 11(1), but does not include the matters listed in subsection 11(2).

Prohibition: gifts and other benefits

17. (1) Neither a Senator, nor a family member, shall accept, directly or indirectly, any gift or other benefit, except compensation authorized by law, that could reasonably be considered to relate to the Senator's position.

Exception

(2) A Senator, and a family member, may, however, accept gifts or other benefits received as a normal expression of courtesy or protocol, or within the customary standards of hospitality that normally accompany the Senator's position.

Statement: gift or other benefit

(3) If a gift or other benefit that is accepted under subsection (2) by a Senator or his or her family members exceeds $500 in value, or if the total value of all such gifts or benefits received from one source in a 12-month period exceeds $500, the Senator shall, within 30 days after the gift or benefit is received or after that total value is exceeded, as the case may be, file with the Senate Ethics Officer a statement disclosing the nature and value of the gifts or other benefits, their source and the circumstances under which they were given.

Statement: sponsored travel

18. (1) Notwithstanding subsection 17(1), a Senator may accept, for the Senator and guests of the Senator, sponsored travel that arises from or relates to the Senator's position. If the travel costs of a Senator or any guest exceed $500 and are not paid personally by the Senator or the guest, and the travel is not paid through the programs for international and interparliamentary affairs of the Parliament of Canada, by the Senate, the Government of Canada or the Senator's political party, the Senator shall, within 30 days after the end of the trip, file a statement with the Senate Ethics Officer.

Contents of statement

(2) The statement shall disclose the name of the person or organization paying for the trip, the destination or destinations, the purpose and length of the trip, whether or not any guest was also sponsored, and the general nature of the benefits received.

Duplication

(3) Any disclosure made in relation to sponsored travel does not need to be disclosed as a gift or other benefit.

Consent of Senate

19. Gifts, other benefits and sponsored travel accepted in compliance with the requirements of sections 17 and 18 are deemed to have received the consent of the Senate thereto for all purposes.

Government contracts

20. A Senator shall not knowingly be a party, directly or through a subcontract, to a contract or other business arrangement with the Government of Canada or any federal agency or body under which the Senator receives a benefit unless the Senate Ethics Officer provides a written opinion that

(*a*) due to special circumstances the contract or other business arrangement is in the public interest; or

(*b*) the contract or other business arrangement is unlikely to affect the Senator's obligations under this *Code*.

Public corporations

21. (1) A Senator may own securities in a public corporation that contracts with the Government of Canada or any federal agency or body unless the holdings are so significant that the Senate Ethics Officer provides a written opinion that they are likely to affect the Senator's obligations under this *Code*.

Public interest

(2) A contract between a public corporation and the Government of Canada or any federal agency or body that, in the Senate Ethics Officer's opinion, is in the public interest due to special circumstances, shall not preclude a Senator from holding securities in that public corporation.

Government programs

(3) For the purpose of subsection (1), a public corporation shall not be considered to contract with the Government of Canada or any federal agency or body merely because the corporation participates in a Government program that meets the criteria described in section 23.

Trust

(4) If the Senate Ethics Officer is of the opinion that the Senator's obligations under this *Code* are likely to be affected under the circumstances of subsection (1), the Senator may comply with the *Code* by placing the securities in a trust under such terms as the Senate Ethics Officer considers appropriate.

Partnerships and private corporations

22. A Senator shall not have an interest in a partnership or in a private corporation that is a party, directly or through a subcontract, to a contract or other business arrangement with the Government of Canada or any federal agency or body under which the partnership or corporation receives a benefit unless the Senate Ethics Officer provides a written opinion that

(*a*) due to special circumstances the contract or other business arrangement is in the public interest; or

(*b*) the contract or other business arrangement is unlikely to affect the Senator's obligations under this *Code*.

Clarification: Government programs

23. For the purposes of sections 20 and 22, it is not prohibited to participate in a program operated or funded, in whole or in part, by the Government of Canada or any federal agency or body under which a Senator, or a partnership or private corporation in which a Senator has an interest, receives a benefit if

(*a*) the eligibility requirements of the program are met;

(*b*) the program is of general application or is available to a broad class of the public;

(*c*) there is no preferential treatment with respect to the application; and

(*d*) no special benefits are received that are not available to other participants in the program.

Trust

24. Section 22 does not apply if the Senator has entrusted his or her interest in a partnership or private corporation to one or more trustees on all of the following terms:

(*a*) the provisions of the trust have been approved by the Senate Ethics Officer;

(*b*) the trustees are at arm's length from the Senator and have been approved by the Senate Ethics Officer;

(*c*) except as provided in paragraph (*d*), the trustees may not consult with the Senator with respect to managing the trust, but they may consult with the Senate Ethics Officer;

(*d*) the trustees may consult with the Senator, with the approval of the Senate Ethics Officer and in his or her presence, if an extraordinary event is likely to materially affect the trust property;

(*e*) in the case of an interest in a corporation, the Senator resigns any position of director or officer in the corporation;

(f) the trustees provide the Senate Ethics Officer annually with a written report setting out the nature of the trust property, the value of that property, the trust's net income for the preceding year and the trustees' fees, if any; and

(g) the trustees give the Senator sufficient information to permit the Senator to submit returns as required by the *Income Tax Act* and give the same information to the appropriate taxation authorities.

Pre-existing contracts

25. The rules in sections 20, 21 and 22 do not apply to a contract or other business arrangement that existed before a Senator's appointment to the Senate, but they do apply to its renewal or extension.

Interest acquired by inheritance

26. The rules in sections 20, 21 and 22 do not apply to an interest acquired by inheritance until the first anniversary date of the transfer of legal and beneficial ownership. In special circumstances, the Senate Ethics Officer may extend this time period.

DUTY TO DISCLOSE

Confidential disclosure statement: sitting Senators

27. (1) Every Senator shall file annually, on or before the date applicable to the Senator as established by the Senate Ethics Officer under subsection (2), a confidential statement disclosing the information required by section 28.

Filing date

(2) The date or dates on or before which the annual confidential disclosure statements are required to be filed shall be established by the Senate Ethics Officer following approval by the Committee.

Confidential disclosure statement: new Senators

(3) Within 120 days after being summoned to the Senate, a Senator shall file a confidential statement disclosing the information required by section 28.

Submission to Committee

(4) Thirty days after the date established under subsection (2), the Senate Ethics Officer shall submit to the Committee the name of any Senator who has not complied with his or her duty to file a confidential disclosure statement.

Errors or omissions

(5) If, at any time after the date established under subsection (2), the Senate Ethics Officer has reason to believe that a Senator's confidential disclosure statement contains an error or omission, the Senate Ethics Officer shall notify the Senator concerned and request the Senator to provide the relevant information.

Response within 60 days

(6) Upon receipt of a request under subsection (5), the Senator shall provide the information within 60 days.

Family members

(7) In addition to any information required to be disclosed under subsection 28(1), a Senator may file with the Senate Ethics Officer a confidential disclosure statement relating to one or more of the Senator's family members so that the Senator may discuss their interests in relation to the Senator's obligations under this *Code* and receive advice in that regard.

Confidentiality

(8) The Senate Ethics Officer and all officers, employees, agents, advisers and consultants that may be employed or engaged by the Senate Ethics Officer shall keep all disclosure statements confidential.

Initial meeting with Senate Ethics Officer

(9) Senators, and in particular newly-summoned Senators, who may have questions regarding their confidential disclosure duties should make every effort to meet with the Senate Ethics Officer before submitting their confidential disclosure statement.

Contents of confidential disclosure statement

28. (1) Subject to subsection (2) regarding excluded matters, and any Guidelines published by the Senate Ethics Officer under section 43, the confidential disclosure statement shall list:

(*a*) any employment, profession or business in which the Senator or the Senator's spouse or common-law partner participates, including a description of the activities of the Senator, spouse or common-law partner;

(*b*) any corporations, income trusts and trade unions in which the Senator or the Senator's spouse or common-law partner is a director or officer, and any partnerships in which the Senator or the Senator's spouse or common-law partner is a partner, including a description of the activities of each entity;

(*c*) any associations and not-for-profit organizations in which the Senator or the Senator's spouse or common-law partner is a director, officer, or patron, including memberships on advisory boards and any honorary positions;

(*d*) the nature but not the amount of any source of income over $2,000 that the Senator or the Senator's spouse or common-law partner has received in the preceding 12 months and is likely to receive during the next 12 months; for this purpose,

(i) a source of income from employment is the employer,

(ii) a source of income from a contract is a party with whom the contract is made,

(iii) a source of income arising from a business or profession is that business or profession, and

(iv) a source of income arising from an investment is that investment;

(e) the source, nature and value of any contracts or other business arrangements with the Government of Canada or a federal agency or body that the Senator has directly, or through a subcontract;

(*f*) the source, nature and value of any contracts, subcontracts or other business arrangements with the Government of Canada or a federal agency or body that the Senator has by virtue of a partnership or a significant interest in a private corporation that the Senator is able to ascertain by making reasonable inquiries;

(*g*) the source, nature and value of any contracts or other business arrangements with the Government of Canada or a federal agency or body that a member of the Senator's family has, directly or through a subcontract, or by virtue of a partnership or a significant interest in a private corporation;

(*h*) information regarding the nature but not the value of any assets and liabilities of the Senator or the Senator's spouse or common-law partner over $10,000; and

(*i*) any additional information that the Senator believes to be relevant to this *Code*.

Limitation

(2) For the purposes of subsection (1), a Senator is only required to disclose such information concerning the affairs of a spouse or common-law partner or other family member as the Senator is able to ascertain by making reasonable inquiries or of which the Senator has knowledge.

Standard of disclosure

(3) Where a Senator is required under this section or subsection 31(1) to disclose such information as the Senator is able to ascertain by making reasonable inquiries, the Senator's disclosure shall be to the best of the Senator's knowledge, information and belief.

Excluded matters

(4) For the purpose of subsection (1), it is not required to disclose properties used by the Senator or family members as residences; mortgages or hypothecs on such residences; household goods; personal effects; deposits with a financial institution; guaranteed investment certificates; financial instruments issued by any Canadian government or agency; and obligations incurred for living expenses that will be discharged in the ordinary course of the Senator's affairs.

Additional excluded matters

(5) The Senate Ethics Officer may, with the approval of the Committee, establish additional matters not required to be disclosed on the basis that they present no potential to interfere with the obligations of a Senator under this *Code*.

Material change

(6) A Senator shall report in writing any material change to the information relating to the confidential disclosure statement to the Senate Ethics Officer within 60 days after the change.

Meeting with Senate Ethics Officer

29. (1) After reviewing a Senator's confidential disclosure statement, the Senate Ethics Officer may request to meet with the Senator to discuss the statement and the Senator's obligations under this *Code*.

Necessary meeting

(2) If, pursuant to a request made under subsection (1), the Senate Ethics Officer advises the Senator that the meeting is necessary in order for the Senate Ethics Officer to carry out his or her duties and functions under the *Code*, the Senator shall meet with the Senate Ethics Officer.

Public disclosure summary

30. The Senate Ethics Officer shall prepare a public disclosure summary based on each Senator's confidential disclosure statement and submit it to the Senator for review.

Contents of public disclosure summary

31. (1) The public disclosure summary shall list

(*a*) any employment, profession and business in which the senator participates, including a description of the activities of the senator; and

(*b*) any corporations, income trusts and trade unions in which the Senator is a director or officer and any partnerships in which the Senator is a partner, including a description of the activities of each entity;

(*c*) any associations and not-for-profit organizations in which the Senator is a director, officer or patron, including memberships on advisory boards and any honorary positions;

(*d*) the source and nature but not the amount of any income over $2,000 that the Senator has received in the preceding 12 months and is likely to receive in the next 12 months;

(*e*) the source and nature but not the value of any contracts or other business arrangements with the Government of Canada or a federal agency or body that the Senator has, directly or through a subcontract, including the Senate Ethics Officer's written opinion authorizing them;

(*f*) the source and nature but not the value of any contracts, subcontracts or other business arrangements with the Government of Canada or a federal agency or body that the Senator has by virtue of a partnership or a significant interest in a private corporation that the Senator is able to ascertain by making reasonable inquiries, including the Senate Ethics Officer's written opinion authorizing them;

(*g*) the source and nature but not the value of any contracts or other business arrangements with the Government of Canada or a federal agency or body that a member of the Senator's family has, directly or through a subcontract, or by virtue of a partnership or a significant interest in a private corporation, that the Senator is able to ascertain by making reasonable inquiries;

(*h*) information regarding the nature but not the value of any assets and liabilities of the Senator over $10,000;

(*i*) any declarations of a private interest under section 12, unless the Senator has since retracted the declaration;

(*j*) any statements filed under sections 17 and 18 in relation to gifts and sponsored travel; and

(*k*) any statements of material change that pertain to the contents of this summary.

Discretion

(2) The Senate Ethics Officer need not include in the public disclosure summary information that he or she determines should not be disclosed because

(*a*) the information is not relevant to the purposes of this *Code* or is inconsequential, or

(*b*) a departure from the general principle of public disclosure is justified in the circumstances.

Disagreement

32. In cases of disagreement between a Senator and the Senate Ethics Officer regarding the contents of the public disclosure summary, the Senate Ethics Officer shall refer the disputed matter to the Committee for decision.

Public inspection

33. (1) Each public disclosure summary is to be placed on file at the office of the Senate Ethics Officer and made available for public inspection.

Removal of file from registry

(2) A public disclosure file shall be removed from the public registry at the time that the Senator concerned ceases to be a Senator.

Online access

(3) Every public disclosure summary available for public inspection under this section shall also be made available online on the website of the Senate Ethics Officer.

Evasion

34. A Senator shall not take any action that has as its purpose the evasion of the Senator's obligations under this *Code*.

COMMITTEE

Designation or establishment

35. (1) At the beginning of each session, a Committee of the Senate shall be designated or established for the purposes of this *Code*.

Membership

(2) The Committee shall be composed of five members, three of whom shall constitute a quorum.

No *ex officio* members

(3) The Committee shall have no ex officio members.

Election of members

(4) Two of the Committee members shall be elected by secret ballot in the caucus of Government Senators at the opening of the session; two of the Committee members shall be elected by secret ballot in the caucus of Opposition Senators at the opening of the session; the fifth member shall be elected by the majority of the other four members after the election of the last of the other four members.

Presentation and adoption of motion

(5) The Leader of the Government in the Senate, seconded by the Leader of the Opposition in the Senate, shall present a motion on the full membership of the Committee to the Senate, which motion shall be deemed adopted without any debate or vote.

Chair

(6) The Chair of the Committee shall be elected by four or more members.

Removal

(7) A member is deemed removed from the Committee as of the time that

(*a*) the Senate Ethics Officer informs the Committee that a request for an inquiry made by the Senator is warranted; or

(*b*) the Senator becomes the subject of an inquiry under the *Code*.

Substitutions

(8) Where a vacancy occurs in the membership of the Committee, the replacement member shall be elected by the same method as the former member being replaced.

Meetings *in camera*

36. (1) Subject to subsection (2), meetings of the Committee shall be held *in camera*.

Meetings in public

(2) At the request of a Senator who is the subject of an investigation, the Committee may hold meetings at which the investigation is being conducted in public.

Attendance

(3) Subject to subsection (4), the Committee may limit attendance at its meetings.

Affected Senator

(4) The Committee shall give notice to a Senator who is the subject of an investigation of all meetings at which the investigation is being conducted, and shall admit the Senator to those meetings, but the Committee may exclude that Senator from those meetings or portions of meetings at which the Committee is considering a draft agenda or a draft report.

Withdrawal

(5) A member of the Committee who is the subject of a matter being considered by the Committee relating to that specific Senator shall withdraw from the Committee during its deliberations.

Jurisdiction

37. (1) Subject to subsection 41(2) and to the general jurisdiction of the Senate, the Committee is responsible for all matters relating to this *Code*, including all forms involving Senators that are used in its administration.

General directives

(2) The Committee may, after consultation with the Senate Ethics Officer, give general directives to the Senate Ethics Officer concerning the interpretation, application and administration of the *Code*, but not concerning its interpretation and application as it relates to an individual Senator's particular circumstances.

INTERSESSIONAL AUTHORITY

Intersessional Authority created

38. During a period of prorogation or dissolution of Parliament and until the members of a successor Committee are appointed by the Senate, there shall be a committee known as the Senate Intersessional Authority on Conflict of Interest for Senators.

Composition

39. The Intersessional Authority on Conflict of Interest for Senators shall be composed of the members of the Committee.

General authority

40. (1) The Senate Ethics Officer shall carry out his or her duties and functions under the general direction of the Intersessional Authority on Conflict of Interest for Senators.

Additional functions

(2) Subject to the rules, direction and control of the Senate and of the Committee, the Intersessional Authority on Conflict of Interest for Senators shall carry out such other of the Committee's duties and functions as the Committee gives to it by resolution.

SENATE ETHICS OFFICER

Senate Ethics Officer

41. (1) The Senate Ethics Officer is an independent officer who performs the duties and functions assigned by the Senate under this *Code*.

Independent status

(2) The Senate Ethics Officer shall carry out his or her duties and functions under the general direction of the Committee, but is independent in interpreting and applying this *Code* as it relates to an individual Senator's particular circumstances.

OPINIONS AND ADVICE

Request for opinion

42. (1) In response to a request in writing from a Senator on any matter respecting the Senator's obligations under this *Code*, the Senate Ethics Officer shall provide the Senator with a written opinion containing any recommendations that the Senate Ethics Officer considers appropriate.

Opinion binding

(2) An opinion given by the Senate Ethics Officer to a Senator is binding on the Senate Ethics Officer in relation to any subsequent consideration of the subject matter of the opinion as long as all the relevant facts that were known to the Senator were disclosed to the Senate Ethics Officer.

Written advice binding

(3) Any written advice given by the Senate Ethics Officer to a Senator on any matter relating to this *Code* is binding on the Senate Ethics Officer in relation to any subsequent consideration of the subject matter of the advice as long as all the relevant facts that were known to the Senator were disclosed to the Senate Ethics Officer.

Confidentiality

(4) A written opinion or advice is confidential and may be made public only by the Senator or with his or her written consent.

Proof of compliance

(5) A written opinion or advice given by the Senate Ethics Officer to a Senator under this section and relied upon by that Senator is conclusive proof that the Senator has fully complied with the Senator's obligations under this *Code* as long as all the relevant facts that were known to the Senator were disclosed to the Senate Ethics Officer.

Publication

(6) Nothing in this section prevents the Senate Ethics Officer, subject to the approval of the Committee, from publishing opinions and advice for the guidance of Senators, provided that no details are included that could identify a Senator.

Guidelines

43. Subject to the approval of the Committee, the Senate Ethics Officer may publish guidelines for the assistance of Senators on any matter concerning the interpretation of this *Code* that the Senate Ethics Officer considers advisable.

INQUIRIES AND INVESTIGATIONS

Direction by the Committee

44. (1) The Committee may direct the Senate Ethics Officer to conduct an inquiry to determine whether a Senator has complied with his or her obligations under this *Code*.

Request for an inquiry

(2) A Senator who has reasonable grounds to believe that another Senator has not complied with his or her obligations under this *Code* may request that the Senate Ethics Officer conduct an inquiry into the matter.

Form of request

(3) The request shall be in writing, shall be signed by the requesting Senator, shall identify the alleged non-compliance with this *Code* and shall set out the reasonable grounds for the belief that the *Code* has not been complied with.

Request to be sent

(4) The Senate Ethics Officer shall forward the request for an inquiry to the Senator who is the subject of the request and afford the Senator a reasonable opportunity to respond.

Preliminary review

(5) After a preliminary review to determine whether or not an inquiry is warranted, the Senate Ethics Officer shall notify both the requesting Senator and the Senator who is the subject of the request of his or her decision.

If inquiry warranted

(6) If the Senate Ethics Officer's decision under subsection (5) is that an inquiry is warranted, the Senate Ethics Officer shall so inform the Committee.

Receipt of information

(7) If, after receiving significant evidence, the Senate Ethics Officer believes that an inquiry may be warranted to determine whether a Senator has complied with his or her obligations under this *Code*, the Senate Ethics Officer shall provide the Senator written notice of his or her concerns and any documentation upon which those concerns are based, and shall afford the Senator a reasonable opportunity to address the issues.

Committee to approve

(8) Following the measures taken in subsection (7), if the Senate Ethics Officer has reasonable grounds to believe that an inquiry is warranted to determine whether the Senator has complied with his or her obligations under this *Code*, the Senate Ethics Officer shall request the Committee to approve the inquiry, and may proceed when approval has been received.

Notice

(9) Once approval to conduct an inquiry has been received under subsection (8), the Senate Ethics Officer shall provide the Senator concerned with his or her reasons for the opinion that an inquiry is warranted.

Respect for the inquiry process

(10) Once a request for an inquiry has been made, or direction or approval for an inquiry has been given, Senators should respect the process established by this *Code*.

Inquiry to be confidential

(11) The Senate Ethics Officer shall conduct a confidential inquiry as promptly as the circumstances permit, provided that at all appropriate stages throughout the inquiry the Senate Ethics Officer shall give the Senator a reasonable opportunity to be present and to make representations to the Senate Ethics Officer in writing or in person, by counsel or by any other representative.

Cooperation

(12) Senators shall cooperate without delay with the Senate Ethics Officer with respect to any inquiry.

Powers of Senate Ethics Officer

(13) In carrying out an inquiry, the Senate Ethics Officer may send for persons, papers, things and records, which measures may be enforced by the Senate acting on the recommendation of the Committee following a request from the Senate Ethics Officer.

Report to the Committee

45. (1) Subject to subsection (4), following an inquiry, the Senate Ethics Officer shall, without delay, report confidentially in writing to the Committee, which shall table the report in the Senate, in the same form in which it was received, at the first opportunity.

Senate not sitting

(2) If the Senate is not sitting on the day on which the Committee receives the report, or if Parliament is dissolved or prorogued, the Chair of the Committee shall

(*a*) transmit the report to the Clerk of the Senate, in the same form in which it was received; and

(*b*) table the report in the Senate, in the same form in which it was received, at the first opportunity.

Report is public

(3) A report that is transmitted to the Clerk of the Senate under paragraph (2) (*a*) is a public document.

No report required

(4) The Senate Ethics Officer is not required to report to the Committee under subsection (1) where the report, if made, would make a finding under paragraph 6(*a*) or (*b*), unless the Senator who was the subject of the inquiry requests that a report be made.

Name to be removed

(5) Where the Senate Ethics Officer makes a report under subsection (1) that, by virtue of subsection (4), is not required to be made, the report may, at the request of the Senator who was the subject of the inquiry, keep the name of the Senator anonymous in order to protect the Senator's reputation.

Contents of report

(6) In a report made under subsection (1), the Senate Ethics Officer may make findings and recommendations, including

(*a*) that the complaint appears to be unfounded and should be dismissed;

(*b*) that the request for an inquiry was frivolous or vexatious or was not made in good faith, or that there were no grounds or insufficient grounds to warrant an inquiry or the continuation of an inquiry;

(*c*) that the complaint appears to be founded and that remedial action has been agreed to by the Senator involved; or

(*d*) that the complaint appears to be founded, but that no remedial action was available or agreed to by the Senator involved.

Bad faith

(7) Where the Senate Ethics Officer makes a finding in the report that the complaint or request for an inquiry was frivolous or vexatious or was not made in good faith, he or she may recommend that action be considered against the person who made the complaint or request.

Mitigation

(8) If the Senate Ethics Officer concludes that a Senator has not complied with an obligation under this *Code* but that the Senator took all reasonable measures to prevent the non-compliance, or that the non-compliance was trivial or occurred through inadvertence or an error in judgement made in good faith, the Senate Ethics Officer shall so state in the report and may recommend that no sanction be imposed.

General recommendations

(9) The Senate Ethics Officer may include in the report any recommendations arising from the matter that concern the general interpretation of this *Code*.

Reasons

(10) The Senate Ethics Officer shall include in the report reasons and any supporting documentation for any findings and recommendations.

Consideration of report

46. (1) The Committee shall take into consideration a report of the Senate Ethics Officer tabled or otherwise made public under section 45 as promptly as circumstances permit.

Due process

(2) The Committee shall afford the Senator who was the subject of the inquiry the opportunity to be heard by the Committee.

Investigation

(3) In considering a report, the Committee may

(*a*) conduct an investigation; or

(*b*) direct that the Senate Ethics Officer's inquiry be continued and refer the report back to the Senate Ethics Officer for such further information as the Committee specifies.

Committee report

(4) Following its consideration under this section of a report of the Senate Ethics Officer, the Committee shall report to the Senate.

Contents of report

(5) In its report to the Senate, the Committee shall report the fact of the inquiry and give its findings with respect thereto, its recommendations if any, and its reasons and the supporting documentation for any findings or recommendations.

Remedial action

(6) The Committee may recommend that the Senator be ordered to take specific action or be sanctioned.

Anonymity

(7) Where the report of the Senate Ethics Officer keeps the name of the Senator anonymous at the Senator's request under subsection 45(5) and the Committee agrees that the Senate Ethics Officer was entitled to keep the name anonymous, the Committee's report may, at the Senator's request, keep the name of the Senator anonymous in order to protect the Senator's reputation.

Suspension of investigation or inquiry: Act of Parliament

47. (1) The Committee or the Senate Ethics Officer may suspend the investigation or inquiry if

(*a*) there are reasonable grounds to believe that the Senator has committed an offence under an Act of Parliament in relation to the same subject matter, in which case the Committee or Senate Ethics Officer, subject to subsection (4), shall notify the proper authorities;

(*b*) it is discovered that

(i) the subject matter under investigation or inquiry is also the subject matter of an investigation to determine if an offence under an Act of Parliament has been committed, or

(ii) a charge has been laid with respect to that subject matter.

Investigation or inquiry continued

(2) If the Committee or the Senate Ethics Officer has suspended the investigation or inquiry, it may resume once the other investigation or charge regarding the same subject matter has been finally disposed of.

Suspension of investigation or inquiry: other laws

(3) The Committee or the Senate Ethics Officer may suspend the investigation or inquiry and, subject to subsection (4), notify the proper authorities if there are reasonable grounds to believe that the Senator has committed an offence under the law of a Canadian province or territory in relation to the same subject matter, and may continue the investigation or inquiry when any actions arising from the notification have been completed.

Advice of Committee

(4) The Senate Ethics Officer shall seek the advice of the Committee before notifying the proper authorities.

Notice for motion to adopt

48. (1) A motion that the Senate adopt a report referred to in subsection 46(4) shall be put pursuant to the notice provisions of paragraph 58(1)(g) of the *Rules of the Senate*.

Motion

(2) A motion to adopt a report referred to in subsection 46(4) shall be deemed to have been moved on the fifth sitting day subsequent to the presentation of the report if the motion has not yet been moved.

Senator may speak

(3) After a motion to adopt a report has been moved, or has been deemed to have been moved, no vote may be held for at least five sitting days, or until the Senator who is the subject of the report has spoken to the motion for its adoption, whichever is the sooner.

Right to speak last

(4) The Senator who is the subject of the report may exercise the right of final reply.

Senate vote

(5) If a motion for the adoption of a report has not been put to a vote by the 15th sitting day after the motion was moved or deemed to have been moved, the Speaker shall immediately put all necessary questions to dispose of the matter when the item is called.

Referral back

(6) The Senate may refer any report back to the Committee for further consideration.

Suspension: former Senators

49. (1) An investigation or inquiry of a Senator who ceases to be a Senator is permanently suspended unless the Committee directs that the investigation or inquiry be completed.

Direction to continue

(2) In considering whether to issue a direction under subsection (1), the Committee shall consider any request from the former Senator or from the Senator who requested the inquiry, and any representations made by the Senate Ethics Officer.

Consideration of committee report

(3) Notwithstanding subsection 48(5), where a motion to adopt a report about a former Senator is moved or deemed to be moved, the motion shall not be put to a vote until the former Senator has been offered the opportunity to speak to the report as a witness in Committee of the Whole, and has either availed himself or herself of the opportunity or has refused or otherwise failed to take advantage of the offer.

PRIVACY AND CONFIDENTIALITY

Privacy to be minimally impaired

50. In interpreting and administering this *Code*, reasonable expectations of privacy shall be impaired as minimally as possible.

Confidentiality

51. (1) All information relating to the private interests of Senators and those of their family members received pursuant to this *Code* or created under it is to be kept confidential, except in accordance with this *Code* or as otherwise ordered by the Senate.

Inclusions

(2) For greater certainty, the requirement set out in subsection (1) applies to documents and information received in the course of an inquiry that the Senate Ethics Officer has suspended in accordance with paragraph 47(1)(*a*) or subsection 47(3) and to documents and information retained by the Senate Ethics Officer pursuant to section 52.

Confidentiality

(3) The Senate Ethics Officer and all officers, employees, agents, advisers and consultants that may be employed or engaged by the Senate Ethics Officer shall keep confidential all matters required to be kept confidential under this *Code*. Failure to do so shall constitute behaviour sufficient to justify either or both of the following:

(*a*) a resolution by the Senate under subsection 20.2(1) of the *Parliament of Canada Act* requesting the Governor in Council to remove the Senate Ethics Officer from office;

(*b*) dismissal of any officers, employees, agents, advisers or consultants involved.

Retention of documents

52. (1) The Senate Ethics Officer shall retain all documents relating to a Senator for a period of 12 months after he or she ceases to be a Senator, after which, subject to subsections (2) to (4), the documents shall be destroyed.

Ongoing proceedings

(2) Where, at the time that a Senator ceases to be a Senator, there is an investigation or inquiry in progress concerning the Senator or a charge has been laid against the Senator, the destruction of documents that relate to the matter shall be postponed until 12 months after the day of the final disposition of all related proceedings.

Return of confidential documents

(3) At a Senator's request, confidential documents relating to a Senator may be returned to the Senator instead of being destroyed.

Archiving of public documents

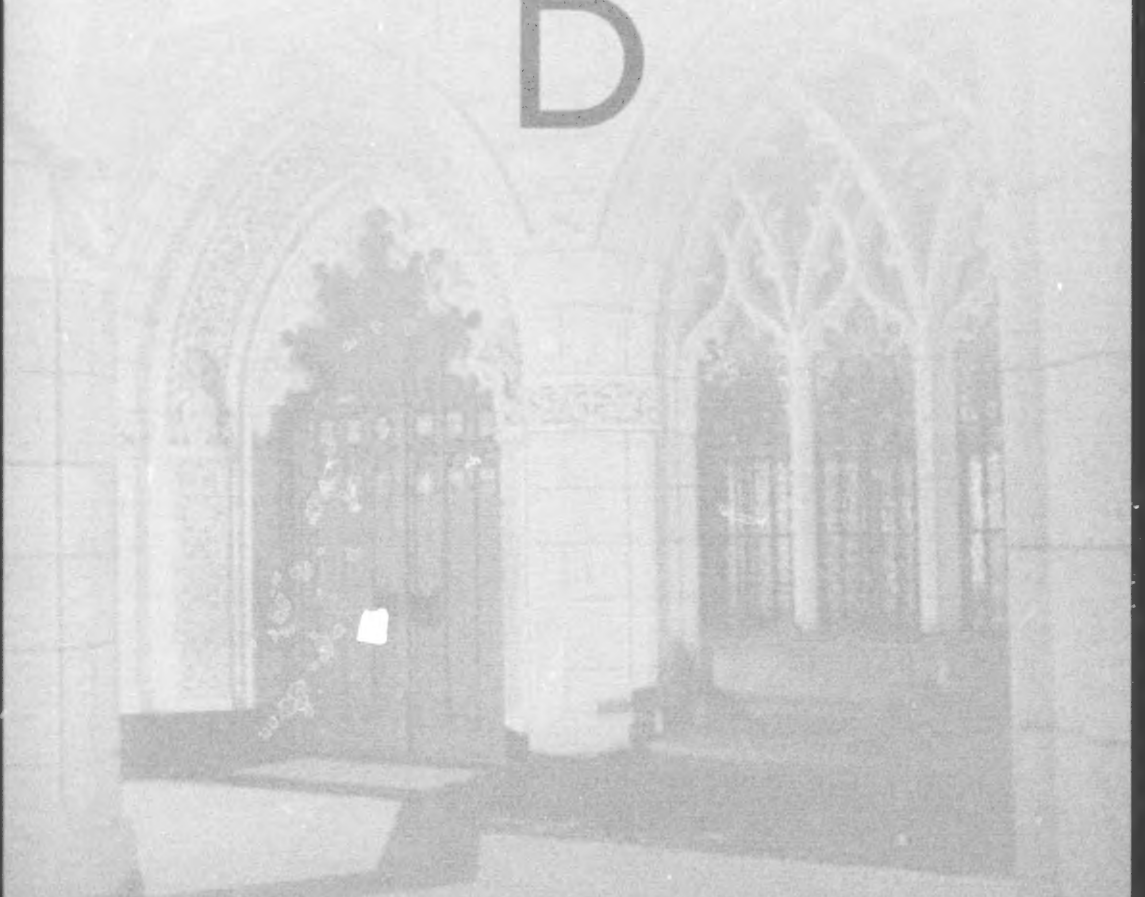
(4) Public documents relating to a Senator shall be forwarded to the Senate archives.

PERIODIC REVIEW

Committee review

53. The Committee shall undertake a comprehensive review of this *Code* and its provisions and operation once every five years, and shall submit a report to the Senate thereon, including a statement of any changes the Committee recommends.

APPENDIX D



APPENDIX D

OVERVIEW OF THE CONFLICT OF INTEREST REGIME FOR SENATORS

What follows is a brief description of the duties and responsibilities of the Senate Ethics Officer, of the role of the Standing Committee on Conflict of Interest for Senators, of some of the most important aspects of the *Conflict of Interest Code for Senators* and of other rules and laws with which senators are expected to comply.

(1) The Senate Ethics Officer

The main responsibilities of the Senate Ethics Officer are to:

- advise individual senators on a confidential and ongoing basis concerning their obligations under the *Code* and to assist them in remaining in compliance with the requirements of the *Code*;
- oversee the ongoing annual disclosure process in which senators are required to disclose their financial and other interests;
- conduct inquiries in order to determine whether a senator has complied with his or her obligations under the *Code*;
- maintain a registry, available to the public, containing information concerning the financial and other interests of senators that are required to be publicly disclosed under the *Code*; and
- submit an annual report of the office's activities to the Speaker of the Senate for tabling in the Senate.

The authority of the Senate Ethics Officer derives both from the *Parliament of Canada Act* and the *Conflict of Interest Code for Senators*.

The *Parliament of Canada Act* was amended in 2004, at which time, a number of sections were added to the Act, including sections 20.1 to 20.7. These provisions established the position of Senate Ethics Officer, defined the mandate of the Office and provided additional details in this regard. The status, duties and powers of the Senate Ethics Officer are broadly similar to those of the Conflict of Interest and Ethics Commissioner in respect of her responsibilities concerning members of the House of Commons, and to those of provincial and territorial ethics commissioners

who administer conflict of interest laws applicable to members of legislative assemblies across the country. The *Parliament of Canada Act* provides that both the Senate Ethics Officer and the Conflict of Interest and Ethics Commissioner carry out their duties and responsibilities under the general direction of a committee of each House of Parliament that is designated or established for that purpose.

The Senate Ethics Officer, an independent Officer of the Senate is appointed on the recommendation of the Senate and reports directly to the Senate. There are many provisions of the *Parliament of Canada Act* that clearly demonstrate the importance Parliament attaches to the independence of the Senate Ethics Officer, including the appointment process, the security of tenure, financial autonomy and reporting relationships. For example, the Senate Ethics Officer is appointed by the Governor in Council after consultation with the leader of every recognized party in the Senate and after approval of the appointment by resolution of the Senate. This method of appointment ensures that the Senate Ethics Officer has the broadest support in the Senate, irrespective of party affiliation. The incumbent is appointed for a renewable term of seven years and may be removed from office, only for cause, by the Governor in Council on address of the Senate.

The Senate Ethics Officer has the rank of a deputy head of a department of the Government of Canada and the *Parliament of Canada Act* ensures that the Senate Ethics Officer has the control and management of his or her office independent of the Senate. For example, the Senate Ethics Officer is responsible for preparing the estimates of the budget required to operate the Office, which are separate and distinct from the estimates of the Senate as a whole. He submits the estimates to the Speaker of the Senate who, after considering them, transmits them to the President of the Treasury Board. They are then laid before the House of Commons with the estimates of the Government for the fiscal year.

Three months after the end of each fiscal year, the Senate Ethics Officer is required to submit a report of his or her activities to the Speaker of the Senate, who tables the report in the Senate. These aspects of the *Parliament of Canada Act* confer on the Office of the Senate Ethics Officer a status of independence and autonomy and they provide an effective shield against improper or inappropriate influence.

Section 41 of the *Code* refers explicitly to the Senate Ethics Officer's independence. It provides that he or she is an independent Officer of the Senate who performs the duties and functions assigned by the Senate under the *Code*. It also makes explicit that he or she is independent in interpreting and applying the *Code* as it relates to an individual senator's particular circumstances.

(2) The Standing Committee on Conflict of Interest for Senators

Pursuant to subsection 20.5(3) of the *Parliament of Canada Act*, the Senate established the Standing Committee on Conflict of Interest for Senators (see sections 35 to 40 of the *Conflict of Interest Code for Senators*) to provide "general direction" to the Senate Ethics Officer. (The House of Commons Standing Committee on Procedure and House Affairs performs a similar function with respect to the Conflict of Interest and Ethics Commissioner in respect of her role concerning members of the House of Commons.)

The Senate has effectively delegated responsibility to this Committee to oversee the conflict of interest regime in the Senate and to act as the link between the Senate and the Senate Ethics Officer.

The Committee has an important role to play with respect to any inquiries and investigations that may be undertaken under the *Code*. It makes recommendations to the Senate concerning sanctions, where it considers them necessary, in cases where a senator has failed to comply with the requirements of the *Code*. The Senate then is able to act on such recommendations and exercise its constitutional right to discipline its own members by making final determinations in this regard.

The Committee is also responsible for undertaking periodic comprehensive reviews of, and recommending changes to, the *Code*. In a sense, the Committee is the conscience of the *Code*. As the person responsible for the administration, interpretation and application of the *Code* on a day-to-day basis, the Senate Ethics Officer brings issues of concern to the Committee's attention and submits proposals to it in order to clarify and strengthen the *Code*.

The Committee is comprised of five members: two are elected by secret ballot from the caucus of Government senators, two are elected by secret ballot from the caucus of Opposition senators, and these four members elect the fifth by secret ballot.

(3) The *Conflict of Interest Code for Senators*

The *Conflict of Interest Code for Senators* was adopted by the Senate on May 18, 2005 as a document separate from, but of equal standing to, the *Rules of the Senate*. Amendments were recommended by the Standing Committee on Conflict of Interests for Senators in 2008 as a result of a review required under section 53 of the *Code*. These changes were adopted by the Senate on May 29, 2008. In addition, in its Third Report dated March 29, 2012, the Committee proposed several other amendments, which became effective on October 1, 2012.

The *Code* outlines a series of rules that are aimed at fostering transparency, accountability and public confidence in the Senate. What follows is a short description of some of the more important aspects of the *Code* in order to illustrate the nature of the obligations that senators are expected to meet.

A. Purposes (section 1)

The term "conflict of interest" is not explicitly defined in the *Code*, but the motivation for adopting a code of conduct is clearly set out in section 1. First, the *Code* is intended to maintain and enhance public confidence and trust in the integrity of senators and of the Senate. Canadians expect their representatives to make decisions that are in the public interest, rather than in their own private interests.

Second, the *Code* is intended to provide greater certainty and guidance for senators in dealing with foreseeable, real or apparent conflicts. This is important as a matter of fairness. Conflicts of interest may arise inadvertently despite the best of intentions. Indeed, situations may arise in which there is no real conflict, but rather there is only an apparent conflict. However, the appearance of a conflict may be just as damaging to one's reputation as a real conflict. Having a clear set of rules and standards is helpful in raising awareness with respect to, not only what would be a real conflict, but also what could be perceived as a conflict.

The third purpose of the *Code* builds on the second purpose already discussed above in that it refers to the establishment of clear standards on which to measure conduct. But it also highlights the importance of having a transparent system where questions may be addressed by an independent, impartial adviser. The model, in which an independent officer is charged with the responsibility of administering and applying a set of rules that is outlined, either in a code of conduct or in legislation, has been in place for many years and has worked successfully in Canadian provinces and territories.

The Canadian model of parliamentary ethics has proven to be an effective system because it provides objectivity and credibility to ethics regimes. It is also important because conflict of interest questions are often complex. They are not always easy to resolve and they often require a great deal of time and thought in order to find the best solutions. Having an impartial adviser who reviews these questions and issues on a daily basis and applies a common set of rules and standards to all parliamentarians and legislators is both in the public interest, as well as in the interest of both Houses and legislatures across the country.

B. Principles (section 2)

The *Code* also contains certain principles set out in section 2 that serve to guide the interpretation of the various provisions of the *Code*. These principles read as follows:

2. (1) Given that service in Parliament is a public trust, the Senate recognizes and declares that Senators are expected
   (a) to remain members of their communities and regions and to continue their activities in those communities and regions while serving the public interest and those they represent to the best of their abilities;
   (b) to fulfill their public duties while upholding the highest standards so as to avoid conflicts of interest and maintain and enhance public confidence and trust in the integrity of each Senator and in the Senate; and
   (c) to arrange their private affairs so that foreseeable real or apparent conflicts of interest may be prevented from arising, but if such a conflict does arise, to resolve it in a way that protects the public interest.

   (2) The Senate further declares that this *Code* shall be interpreted and administered so that Senators and their families shall be afforded a reasonable expectation of privacy.

The first principle is an important one given the unique role the Senate plays in Canada's constitutional framework. The Senate's one hundred and five members are summoned by the Governor General on the advice of the Prime Minister. They are expected to represent regional interests and to reconcile the national interest with regional aspirations. In order to do so, it is key for them to foster a better understanding of the issues that affect the regions they represent. They are able to do so by remaining connected to their communities and regions. Moreover, senators come from various backgrounds, professions and fields of expertise. This diversity enhances the knowledge and experience they are able to bring to their examination of public policy issues and it is one of the strengths of the Senate.

It is important to note that, unlike Cabinet ministers, senators do not control the public finances and they are constitutionally limited in this regard. As such, there are more restrictions that apply to Cabinet ministers in terms of their outside activities. By contrast, and as already noted above, senators are not only permitted, but they are expected, to continue to be involved and active in their communities and regions in order to better represent regional interests.

Having said that, these outside activities may give rise to situations in which a conflict, or the appearance of a conflict, may develop between a senator's private activities and the public interest. In such cases, paragraph 2(1)(c) of the principles is important; it indicates that any such conflict or apparent conflict is to be resolved in favour of the public interest.

The second principle outlined in the *Code* provides that senators are expected to fulfill their public duties while upholding the highest standards in order to avoid conflicts of interest. This recognizes the trust that Canadians have placed in their parliamentarians as they carry out their duties and functions, as well as the high standards that Canadians expect of them.

The third principle makes reference to apparent conflicts. Senators are expected to arrange their private affairs so that, not only real, but also apparent conflicts may be prevented from arising.

The principles of the *Code* strike a delicate balance between permitting senators to play the unique constitutional role they were intended to play, while ensuring that their private affairs and outside activities do not take precedence over the public interest where these two come into conflict.

C. Activities Outside Official Parliamentary Duties (section 5)

The *Conflict of Interest Code for Senators* (Senate *Code*) authorizes senators who are not ministers to engage in activities outside their official parliamentary duties and functions, provided they are able to comply with the provisions of the *Code*. More specifically, section 5 of the *Code* authorizes them to be involved in such activities, including practicing a profession, carrying on a business or holding official positions in corporations and other bodies, by senators. As a matter of interest, section 7 of the *Conflict of Interest Code for Members of the House of Commons* (MP *Code*) is virtually identical to section 5 of the Senate *Code*. It provides that nothing in the MP *Code* precludes members, who are not ministers of the Crown or parliamentary secretaries, from engaging in outside activities (the list of outside activities being identical to that contained in section 5 of the Senate *Code*), as long as they are able to fulfill their obligations under the MP *Code*. In fact, the conflict of interest laws in some other Canadian jurisdictions also permit members of legislative assemblies to engage in activities outside their official duties and responsibilities as members of a legislature.

D. Rules of Conduct

The *Conflict of Interest Code for Senators* builds on the overarching principles set out in section 2 through a number of rules of conduct. These rules deal with furthering private interests, use of influence, use of information, declarations of private interests, gifts and other benefits, sponsored travel and federal government contracts.

(a) Private Interests [sections 8 to 16]

In the performance of their parliamentary duties and functions, senators are prohibited from acting or attempting to act in any way to further their private interests, or those of a family member, or to improperly further another person's or entity's private interests [section 8]. Moreover, they are not to use or attempt to use their position to influence the decisions of others in order to further these same interests [section 9].

The use of, attempt to use, and the conveying of, information that is not generally available to the public to further these private interests is also prohibited [section 10].

The *Code* sets out what is covered by the phrase "furthering private interests" [section 11]. It includes taking action to increase or preserve the value of assets, to eliminate or reduce liabilities, and to become a director or officer in a corporation or organization. However, it excludes, for example, matters of general application and those that apply to a broad class of the public.

A senator is expected to declare, orally or in writing, the general nature of a private interest where the senator has reasonable grounds to believe that he or she or a family member has such an interest in a matter that is before the Senate, or a Senate committee of which the senator is a member. Moreover, the senator is not permitted to participate in debate or to vote on the matter and, in the case of committee matters, the senator must withdraw from the proceedings in question [subsections 12(1), 13(1), (2) and section 14].

A senator who is only participating in a committee proceeding but is not a member of the committee is also prohibited from participating in debate on a matter in which he or she has reasonable grounds to believe he or she, or a family member, has a private interest that might be affected by the matter before the committee. In such cases, the senator must also withdraw from the proceedings in questions [subsection 13(3)].

Where a senator made a declaration of a private interest out of an abundance of caution, but he or she later determines that the declaration was in fact unnecessary,

he or she may retract the declaration in accordance with the rules provided under the *Code* for doing so [subsection 12(7)].

(b) Gifts, Other Benefits and Sponsored Travel [sections 17 and 18]

Senators and their family members are not permitted to accept any gifts or benefits that could reasonably be considered to relate to the senator's position [subsection 17(1)]. An exception is made for gifts or benefits that are expressions of courtesy, protocol or that are within the customary standards of hospitality that normally accompany a senator's position [subsection 17(2)]. However, even if the gift or benefit falls under the exception, if its value exceeds $500, or if the total value received from one source in one year exceeds $500, then the senator must file a statement with the Senate Ethics Officer disclosing the nature, value, and source of the gifts or benefits, and the circumstances under which they were received [subsection 17(3)].

This disclosure must occur within 30 days after the receipt of the gifts or benefits, or within 30 days after the value of all such gifts or benefits received from the same source in a one year period exceeds $500, as the case may be [subsection 17(3)].

A senator and guests of the senator may, however, accept sponsored travel that relates to the senator's position. Where the cost of any such travel exceeds $500, and where the travel is not paid for by the senator, or his or her guests, or through any international and interparliamentary affairs programs recognized by the Parliament of Canada, the Senate, the Government of Canada, or the senator's political party, the trip must, however, be disclosed to the Senate Ethics Officer within 30 days after the end of the trip [section 18].

(c) Federal Government Contracts [sections 20 to 26]

A senator may not be a party, directly or indirectly, to a contract or other business arrangement with the federal government or any federal agency or body under which the senator receives a benefit. There are two exceptions to this rule: (1) the contract or arrangement is in the public interest due to special circumstances; and (2) the contract or arrangement is unlikely to affect the senator's obligations under the *Code*. In the case of either exception, the Senate Ethics Officer must provide a written opinion regarding the matter [section 20], which is then made public pursuant to paragraph 31(1)(e). Participation in federal government programs is also permissible if certain conditions are met [section 23].

A senator may own securities in a public corporation that has contracts with the federal government or any federal agency or body unless the interest is so significant that the

Senate Ethics Officer is of the view that it is likely to affect the senator's obligations under the *Code* [subsection 21(1)]. Again, there is a public interest exception in the case of interests in a public corporation [subsection 21(2)]. Participation in a federal government program is also not considered to be a contract [subsection 21(3)]. Moreover, a senator may comply with the *Code* by placing the securities in a trust under such terms set by the Senate Ethics Officer [subsection 21(4)].

A senator is prohibited from having an interest in a partnership or a private corporation that is a party, directly or through a subcontract, to a contract or other business arrangement with the federal government or any federal agency or body under which the partnership or corporation receives a benefit. Again, the two exceptions outlined above (i.e., public interest and obligations not affected under the *Code*) apply [section 22] and, in such circumstances, the Senate Ethics Officer's opinions authorizing such contracts are made public pursuant to paragraph 31(1)(*f*). Participation in federal government programs is also permissible provided certain conditions are met [section 23]. Finally, such an interest is permissible if a trust, with certain specified conditions, is established [section 24].

E. Disclosure Process (sections 27 to 34)

The *Code* requires each senator to submit to the Senate Ethics Officer an annual confidential disclosure statement listing sources of income, assets, liabilities, outside activities, and government contracts in accordance with sections 27 and 28. All sitting senators are required to file annually, on or before a date to be established by the Senate Ethics Officer with the approval of the Standing Committee on Conflict of Interest for Senators [subsections 27(1) and (2)]. Newly appointed senators are required to submit the statements within 120 after being summoned to the Senate [subsection 27(3)].

The Senate Ethics Officer reviews the information, advises individual senators on possible conflicts, or apparent conflicts, and then recommends measures, if necessary, to ensure senators are in compliance with the provisions of the *Code*.

Senators must continue to remain in compliance with the *Code* at all times. This is done by reporting to the Senate Ethics Officer any material changes to the information provided in their confidential disclosure statements within 60 days of any such change occurring [subsection 28(6)]. Moreover, and as already noted earlier, an annual review of the senator's confidential disclosure statement and compliance arrangements is conducted by the Senate Ethics Officer.

Based on the information contained in the confidential disclosure statement and any other additional information provided that may be relevant, the Senate Ethics Officer must prepare a public disclosure summary related to each senator [section 30]. These summaries are then made available for public inspection at the office of the Senate Ethics Officer and online on the website of the Office [subsections 33(1) and (3)].

F. Opinions and Advice (section 42)

The Senate Ethics Officer provides opinions and advice to senators regarding their obligations under the *Code* pursuant to section 42. Although the *Code* requires that these opinions and advice be kept confidential, they may be made public by the senator to whom they were given, or by the Senate Ethics Officer with the senator's written consent [subsection 42(4)]. Moreover, some opinions related to contracts with the federal government or any federal agency or body must be made public under section 31 of the *Code*.

The importance of this advisory function should not be underestimated. While each senator is responsible for arranging his or her affairs in such a way as to prevent any foreseeable real or apparent conflicts of interest, if a senator has any doubt about whether there may be a conflict or a perceived conflict, he or she is encouraged to consult the Senate Ethics Officer on a confidential basis to resolve the matter. This approach is preventative, not punitive. The focus is not on addressing conflicts of interest once they have arisen, but rather on preventing them from arising.

G. Inquiries and Investigations (sections 44 to 49)

The Senate Ethics Officer may initiate an inquiry to determine whether a senator has complied with his or her obligations under the *Code*: (i) at the direction of the Standing Committee on Conflict of Interest for Senators [subsection 44(1)]; (ii) at the request of another senator [subsections 44(2) to (6)]; or (iii) where the Officer has reasonable grounds to believe that an inquiry is warranted and has obtained the approval of the committee [subsections 44(7) to (9)].

Inquiries are confidential [subsection 44(11)] and senators are required to cooperate with the Senate Ethics Officer [subsection 44(12)]. He or she has the power to send for persons, papers, and records, for the purpose of an inquiry [subsection 44(13)].

Once an inquiry is completed, the Office is required to prepare a written report that includes recommendations to the Standing Committee on Conflict of Interest for Senators [section 45]. The Committee tables the report in the Senate in the same

form in which it was received, at the first opportunity. The Committee must then take into consideration the report of the Senate Ethics Officer and report to the Senate [subsections 46 (1) and (4)]. Any appropriate action or sanctions would be determined by the Senate.

H. Committee Review (section 53)

The Standing Committee on Conflict of Interest for Senators is required to undertake a review of the provisions of the *Code* and its operation every five years. The Committee must submit a report to the Senate on this review, including its recommendations respecting changes to the *Code* [section 53].

(4) Other Rules and Laws

There are other rules and laws with which senators are expected to comply, in addition to the rules that were brought into effect when the Office of the Senate Ethics Officer was established.

For example, section 16 of the *Parliament of Canada Act* prohibits a senator from receiving, or agreeing to receive outside compensation, whether directly or indirectly, for services rendered or to be rendered to any person, either by the senator or another person, in relation to any matter before the Senate or the House of Commons or any of their committees; or for the purpose of influencing or attempting to influence any member of either House.

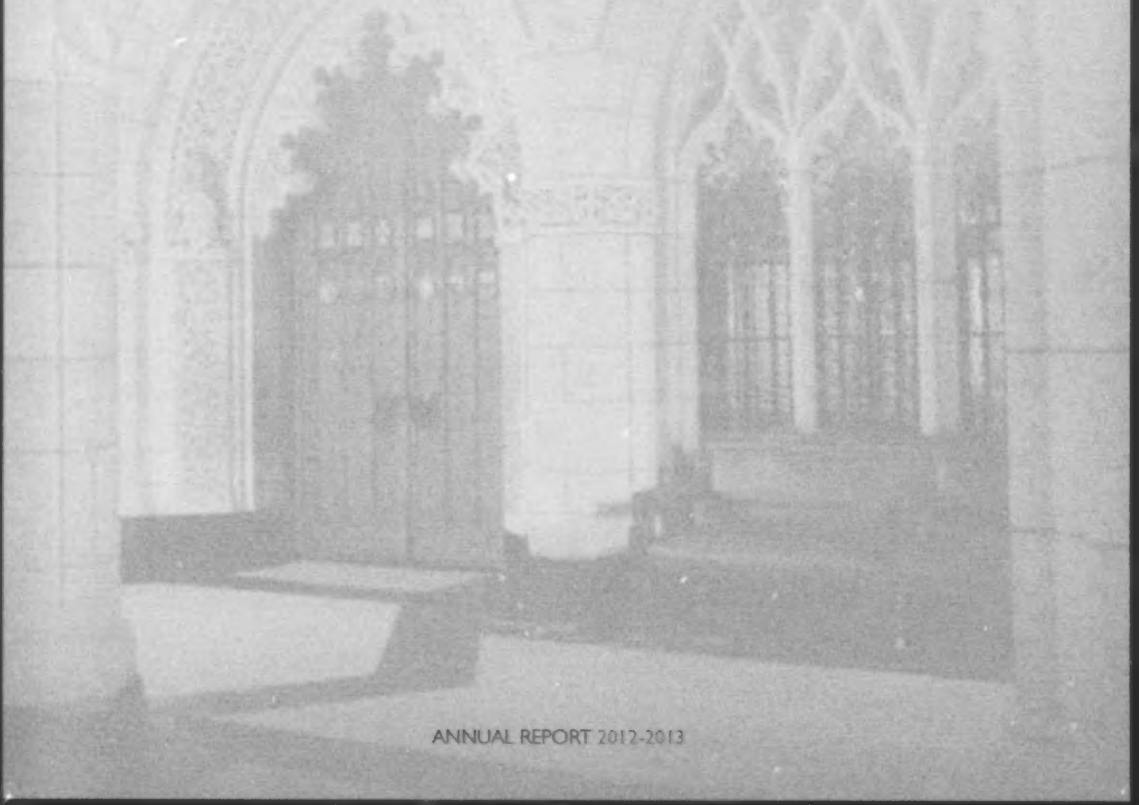
Sections 119, 121 and 122 of the *Criminal Code* are also applicable to senators in light of the Supreme Court of Canada's interpretation of these provisions. Section 119 deals with offences related to bribery. Section 121 concerns frauds on the government and is aimed in part at influence peddling. Section 122 creates offences relating to fraud and breach of trust.

The *Senate Administrative Rules*, which were adopted by the Senate and came into force on May 6, 2004, and were revised in 2007, contain some provisions relating to the proper allocation and use of Senate resources. Sections 1 and 6 of Chapter 3:01 of these Rules provide that Senate resources must only be used for parliamentary functions and for the service of the Senate.

The provisions referred to above in the *Criminal Code*, the *Senate Administrative Rules*, and section 16 of the *Parliament of Canada Act* do not come within the purview of the Senate Ethics Office.

APPENDIX

E



APPENDIX E

THE SENATE DISCLOSURE PROCESS IN BRIEF

Disclosure is at the heart of any effective and transparent conflict of interest regime for parliamentarians. This document summarizes the Senate disclosure process under the *Conflict of Interest Code for Senators* (the *Code*). It breaks down the process in 9 individual steps. Each step is described below.

1. The annual disclosure process generally begins in the fall of each year when Parliament resumes after its summer recess. To initiate the process, the Senate Ethics Officer (the SEO) sends a Confidential Disclosure Statement to each senator, which is required to be completed under section 27 of the *Code*. The information that must be declared includes any sources of income over $2,000, any assets and liabilities over $10,000, any outside activities and any federal government contracts of the senator and his or her spouse or common-law partner.
2. Sitting senators are asked to complete and return their confidential disclosure statement within 3 weeks. The date on or before which the disclosure statements have to be filed is established by the SEO following approval by the Standing Committee on Conflict of Interest for Senators. Newly appointed senators have 120 days to file.
3. The SEO reviews the information received in order to identify any foreseeable, real or apparent conflicts of interest. The review also provides an opportunity to identify omissions or ambiguities and to ensure that the information is complete and up-to-date.
4. Based on this information, the SEO sends a letter of advice to each senator regarding his or her particular obligations under the *Code* and recommends measures, if necessary, to ensure that they are in compliance with the *Code*.
5. The SEO is also required to prepare an annual Public Disclosure Summary pertaining to each senator. Section 31 of the *Code* sets out the information that must be included therein.

6. Once a senator signs his or her public disclosure summary, the SEO sends a letter of compliance confirming that the senator meets the requirements of the *Code* and provides the senator with a copy of his or her public disclosure summary.

7. Finally, once signed, a certified copy of each senator's public disclosure summary is placed by the SEO in the Public Registry and is made available for public inspection during normal business hours, pursuant to section 33 of the *Code*. This document is also available online on the website of the SEO.

8. Senators have an ongoing obligation throughout the year to disclose changes to their circumstance, by filing the proper forms according to the procedures set out under the *Code*, in order to ensure that their confidential and public files contain accurate and up-to-date information at all times. Specifically, they are required to disclose the following:
   (1) any material changes to the information provided in their confidential disclosure statements [subsection 28(6)];
   (2) any gifts or other benefits received as an expression of courtesy or protocol, or received within the customary standards of hospitality that usually accompany the senator's position where these exceed $500 in value, or any such gifts or other benefits received from one source in a one-year period where their total value exceeds $500 [section 17];
   (3) any sponsored travel where the travel costs exceed $500, unless they are paid through the programs for international and interparliamentary affairs of the Parliament of Canada, by the Senate, the Government of Canada or the Senator's political party [section 18]; and
   (4) any private interest a senator or a family member may have in a matter that is before the Senate or a committee of the Senate in which the senator is a member.

9. Under section 20.7 of the *Parliament of Canada Act*, the Senate Ethics Officer is required to prepare an annual report within three months after the end of each fiscal year concerning the Office's activities for the year. This provides an opportunity to review the annual disclosure process for the year and highlight any issues in this regard that might be of interest to the Senate, but also to the public in general.

Advice and Opinions

Outside of the annual disclosure process, senators are encouraged to seek the advice of the SEO as often as possible, especially in cases of doubt, prior to taking action. The opinions or advice may be in writing under subsection 42(1) of the *Code* or of a more informal nature through telephone conversations, meetings and e-mail exchanges. The SEO is solely responsible for the interpretation and application of the *Code* as it relates to each senator's particular circumstances.

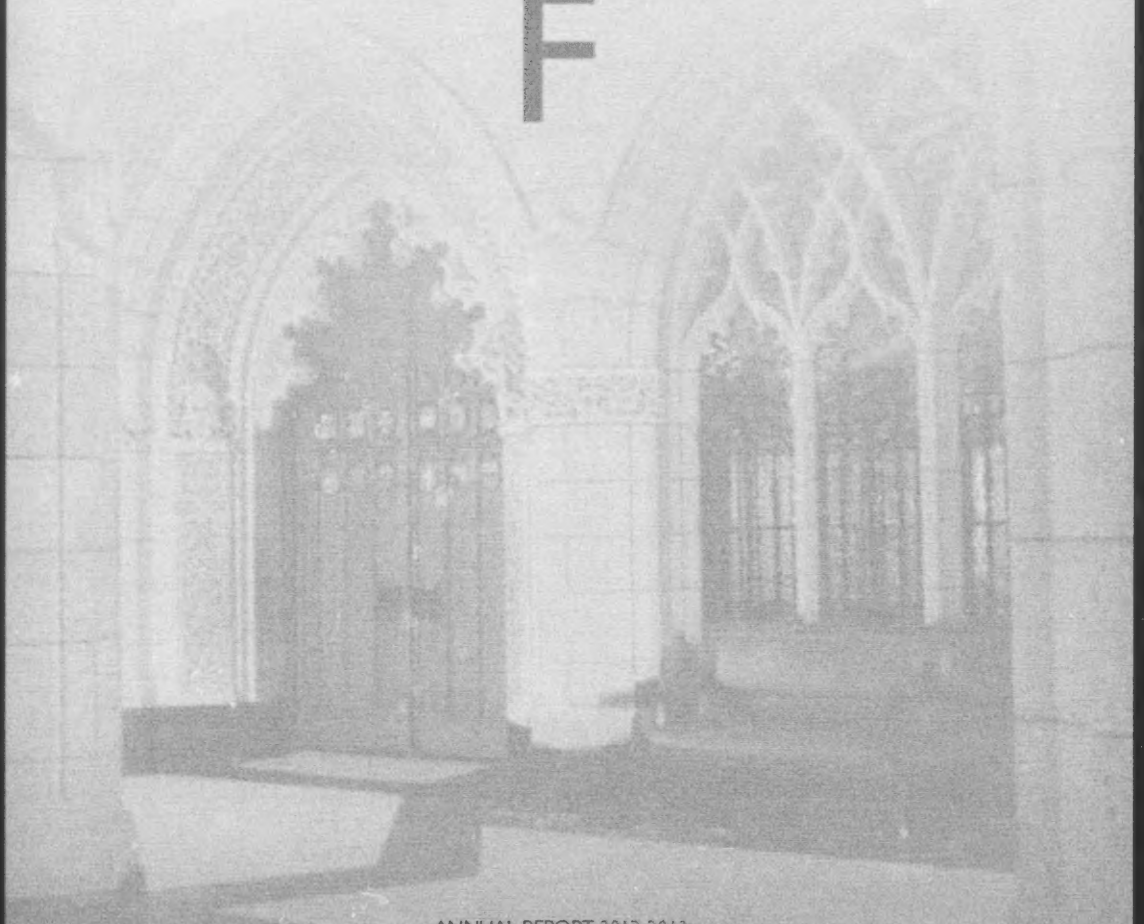
Informal advice is as important as the formal opinions in that it offers guidance and information to senators in order to help them to better understand the *Code* and how it applies in different circumstances. Every year the SEO provides hundreds of opinions and advice of varying degrees of complexity. The sheer volume of requests illustrates that senators are availing themselves of the advisory services that the office offers. Prevention, here as elsewhere, is preferable to cure.

Additional Information

This document only provides a summary of the disclosure process under the Senate *Code*. For more detailed information, please visit the Senate Ethics office's website at www.parl.gc.ca/seo-cse .

APPENDIX

F

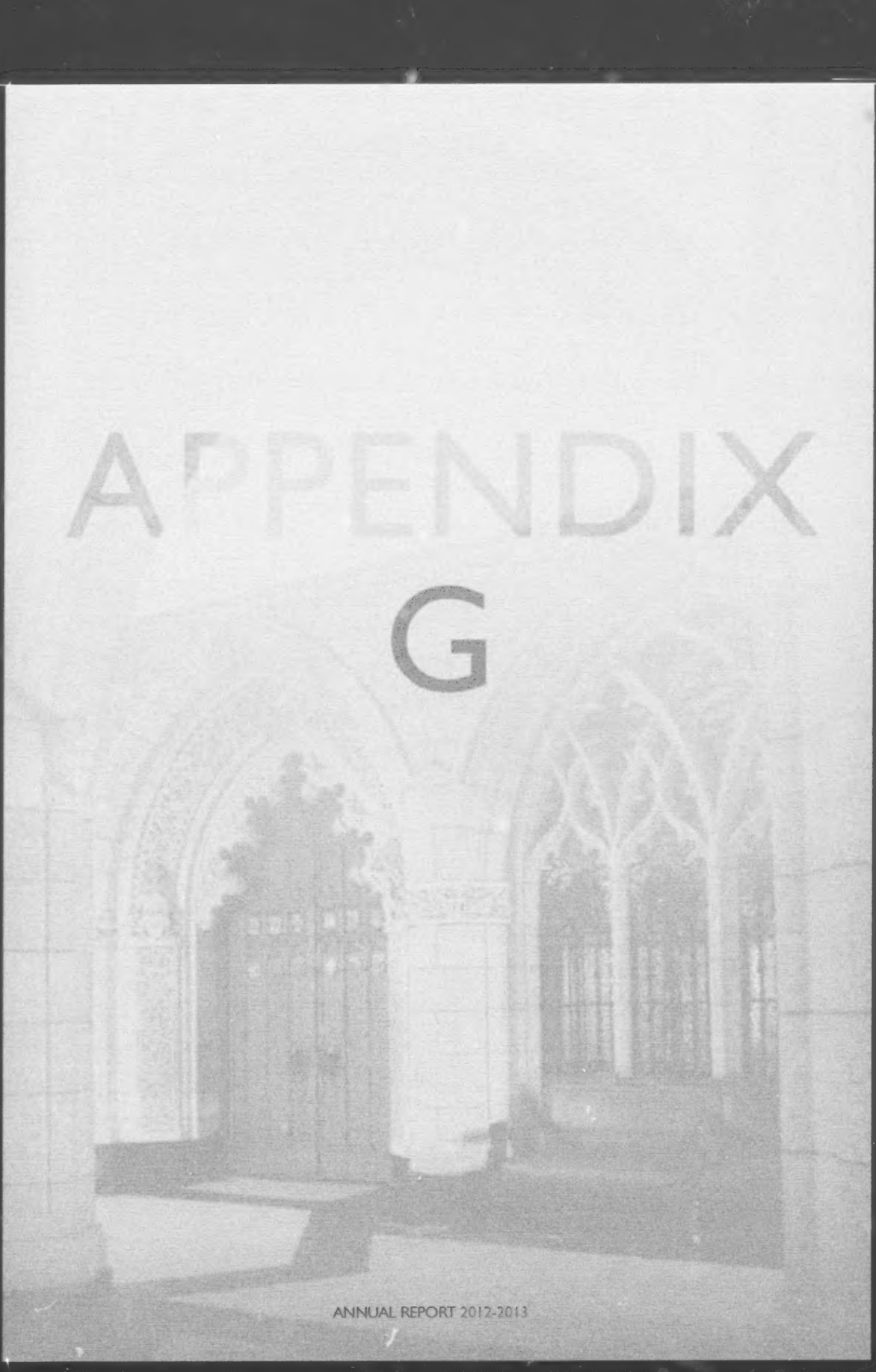


APPENDIX F

CHRONOLOGY OF KEY EVENTS

March 29, 2012	The Standing Committee on Conflict of Interest for Senators recommends in its Third Report to the Senate amendments to the *Conflict of Interest Code for Senators* to come into force on October 1, 2012.
April 5, 2012	Governor in Council appointment of Mrs. Lyse Ricard as Interim Senate Ethics Officer.
May 1, 2012	The Senate adopts the Third Report of the Standing Committee on Conflict of Interest for Senators with its proposed amendments to the *Conflict of Interest Code for Senators*, effective on October 1st, 2012.
September 7, 2013	Announcement by the Prime Minister of the appointment of five new senators.
October 4, 2012	Motion to approve the appointment of Mrs. Lyse Ricard as Senate Ethics Officer (SEO) was debated in the Senate. Mrs. Ricard appeared before the Senate sitting in Committee of the Whole. Motion to approve the appointment was adopted that day.
October 5, 2012	Governor in Council appointment of Mrs. Lyse Ricard as Senate Ethics Officer.
October 10, 2012	Deadline for senators to submit their annual Confidential Disclosure Statements (2012-2013) to the SEO.
October 2012 to March 2013	The SEO reviewed the Confidential Disclosure Statements submitted by senators to identify potential conflicts of interest and to determine the compliance measures in each case. The SEO also prepared public disclosure summaries.
January 25, 2013	Announcement by the Prime Minister of the appointment of five new senators.
March 25, 2013	Announcement by the Prime Minister of the appointment of one new senator.

APPENDIX G



APPENDIX G

van Berkom Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANTS
CHARTERED ACCOUNTANTS

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To Ms. Lyse Ricard, Senate Ethics Officer:

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2013, and the summary statements of operations and deficit for the year then ended, are derived from the audited financial statements of the Office of the Senate Ethics Officer for the year ended March 31, 2013. I expressed an unmodified audit opinion on those financial statements in my report dated June 5, 2013.

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Office of the Senate Ethics Officer.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian public sector accounting standards.

Auditor's Responsibility

My responsibility is to express an opinion on the summary financial statements based on my procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In my opinion, the summary financial statements derived from the audited financial statements of the Office of the Senate Ethics Officer for the year ended March 31, 2013 are a fair summary of those financial statements, in accordance with Canadian public sector accounting standards.

van Berkom Professional Corporation

van Berkom Professional Corporation

Ottawa, Ontario
June 5, 2013

Chartered Professional Accountants
Chartered Accountants

(Authorized to practice public accounting by
The Institute of Chartered Accountants of Ontario)

1493 Merivale Road, 3rd Floor, Ottawa, Ontario K2E 5P3 Telephone: (613) 828-8282 Fax: (613) 721-8504

Summary Financial Statements

As at March 31 and for the year then ended *(in dollars)*

Summary Statement of Operations

	2013	2012
OPERATING EXPENSES		
Salaries and employee benefits	613,959	667,226
Accommodation	120,738	118,380
Professional and special services	27,554	24,929
Amortization	1,873	1,873
Printing and communication	3,365	32,897
Utilities, materials and supplies	17,670	15,897
Travel	8,120	29,739
TOTAL COST OF OPERATIONS	793,279	890,941

Summary Statement of Financial Position

	2013	2012
ASSETS		
Financial assets		
Due from Consolidated Revenue Fund	30,362	39,066
Accounts receivable and advances	26,085	26,540
Total financial assets	56,447	65,606
Non-financial assets		
Tangible capital assets	1,872	3,745
Total non-financial assets	1,872	3,745
TOTAL	**58,319**	**69,351**
LIABILITIES AND DEFICIT		
Financial liabilities		
Accounts payable and accrued liabilities	56,025	62,588
Vacation pay and compensatory leave	12,111	9,021
Employee future benefits	-	25,087
	68,136	96,696
ACCUMULATED DEFICIT	(9,817)	(27,345)
TOTAL	58,319	69,351

Summary Statement of Deficit

	2013	2012
ACCUMULATED DEFICIT, BEGINNING OF YEAR	(27,345)	(183,494)
Total cost of operations	(793,279)	(890,941)
Net cash provided from the Consolidated Revenue Fund	668,123	815,719
Employee future benefits transferred to another department	-	102,412
Change in due from the Consolidated Revenue Fund	(8,704)	(22,921)
Services provided without charge from other government departments	151,388	151,880
ACCUMULATED DEFICIT, END OF YEAR	(9,817)	(27,345)